

Labour split over Heseltine's new rate controls

By David Walker

Three groups of Labour Party members met in private tonight, one at Camden Town Hall, the others at the headquarters of the Greater London Council, to discuss the Government's new rate controls.

Mr Kenneth Livingstone, leader of the GLC, is a member of each group and each is trying to answer the same question: "What is the big picture? Is the Government's new measures, especially the GLC, an exercise in the face of widespread revulsion at high rate levels, threats of government-ordered rate cuts, and especially important in the central area, new controls on commercial and industrial rate levels?"

Documents circulated in advance of the meetings confirm that even before the Government's new measures are officially announced, Mr Michael Heseltine, Secretary of State for the Environment, is having a great success in London. He has managed to spread fear and confusion in the Labour ranks and may soon manage to push spending and rate cuts.

One group, comprising the Labour members of the Borough of Camden, who still include Mr Livingstone, Camden, like Hackney, Islington, Lambeth, Southwark, Tower Hamlets and Lewisham, falls into Mr Heseltine's trap to avoid holding a referendum to get permission to spend more and levy extra rates, the council may have to cut 35 per cent of its current expenditure.

The GLC faces a parallel problem. To sustain its existing policies next year would require a huge rate rise; to avoid a referendum it might need to cut spending by at least 10 per cent, and a further 10 per cent would need to make significant cuts.

Once Mr Heseltine's new law comes into force the options for Labour councils committed to high levels of spending and services are stark: to cut spending now, to cut it after a humiliating defeat in a referendum, to resign en masse, to create chaos in town-and-country hall or to break the law.

All the options are to be canvassed at tonight's most important meeting, that of the executive committee of the Greater London Regional Council of the Labour Party.

A decision by that body, which will be taken by a vote, will determine whether the Labour Party has any future in the GLC.

Mr Heseltine's new measures are a policy for councils of office and confrontation with the Government. From Mr Livingstone's left there will be calls for "three noes": no cuts, no rate rises, no referendum, which is, probably an illegal option.

Within the Labour Party there are splits between moderates and the left, and within the left, Moderates such as Mr Paul Beasley, leader of the Tower Hamlets Council, argue that to resign from office is to surrender. Labour councillors should cut their spending if in the last analysis there is no choice.

Mr Roy Shaw, leader of Camden Council, takes a similar line. He has strongly criticized the amount of the left that should cut their spending if in the last analysis there is no choice.

That option has support from the left-wing group associated with the London Labour Briefing, a monthly published by a group allied with Mr Livingstone. But writing in the November edition, Mr Livingstone says the option of resigning "would leave the workers in each council exposed to massive attacks.... Ordinary families in the community would be understood why the Labour Party failed to defend them."

Delay in allocating each council's spending target could be Heseltine's ploy to legalise the recent success case by Camden and other London boroughs is to his not having representations from January this year.

Mr Heseltine has announced against their own wishes, a 1980-81. He is likely to open to a similar challenge.

The governing bodies of all inner London schools have been recommended in the wake of the Labour Party's victory in the May elections for the GLC.

Most of the governing bodies are political nominees who have been put up for each school on a list of three to one ratio by the Labour and Conservative parties.

Labour Party defectors to the Social Democrats have been rigorously excluded from the nominations for governor.

School governors are nominating candidates for four years, until the next GLC elections. The London borough elections next May will affect the composition of the GLC and may well add to the Social Democrats' strength in that body. But by then the governing bodies will have been exclusively carved up.

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Whitehall grant decision delayed

The Government has abandoned its scheduled announcement to local councils of how big a grant they are to get in 1982-83 (David Walker writes).

This as yet unannounced decision will throw local council finance in England and Wales into turmoil and may possibly delay the collection of rates next spring. Council treasurers may not know how much income they will have and what level of rates to recommend until well into the new year. That will leave little time to process rates demands, which fall on April 1.

The statutory annual meeting of the Consultative Council on Local Government Finance was set for November 20. At it, Mr Michael Heseltine, Secretary of State for the Environment, was to have told council leaders the proportion of their planned spending for next year that the Government was to subsidise.

The cancellation reflects confusion among both ministers and officials about the level of permissible public spending next year and is compounded by the uncertain fate of Mr Heseltine's new laws aimed at controlling council rate levies.

Negotiations over the rate support grant were on schedule until the end of August, but since then, calculations have had to be completely revised. The gap between councils' spending and government targets has widened to 10 per cent, at least 6 per cent, that significant revisions in the council's favour are now being planned.

Announcement of the rate support grant now seems likely to be delayed until at least Christmas. The orders need parliamentary approval and will have to be fitted into an already congested timetable.

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Mr Derek Knibbs, an AUEW shop steward, on picket duty at the gates of BL's Cowley plant yesterday.

Resistance to BL offer

Mass picket planned at Cowley today

By David Felton and Clifford Webb

Shop stewards at BL's plant at Cowley, Oxford, insisted yesterday that the company's improved offer would be rejected by the plant's 4,000 workforce tomorrow.

Plant leaders of the Amalgamated Union of Engineering Workers made clear that they were not in time with Sir John Boyd, the union's general secretary, who is recommending acceptance of the offer, made during talks at the Advisory, Conciliation and Arbitration Service on Saturday.

A token picket was mounted yesterday and the Cowley shop stewards aim to "stiffen the resolve" of the workforce this morning when a mass picket is planned.

Few workers are expected to respond to the call of Sir Michael Edwards, the BL chairman, for normal working. The stewards hope that as many as three quarters of the Cowley workforce will be on the picket line.

Workers arrived at the factory gates throughout yesterday to see if the stewards could explain the details of the offer. The stewards had to tell them; they expect to be told more by union conveners this morning.

But they believed the strike would continue unless BL was prepared to increase the 3.8 per cent offer. "There is no way that the strike can end unless there is serious money on the table," Mr John Breddon, an AUEW steward, said.

Mr Derek Knibbs, another

steward, said: "These men do not want to be on strike, but the time has come to say 'enough is enough'. If we give in this time we might as well say we will give in every year."

Some union and company members believed the mass meeting tomorrow would probably reject the new offer, but were not as convinced as the stewards that the rejection would be overwhelming.

"These are responsible men with families and mortgages and they will have spent the last two weeks thinking about Edwards's threat to close the company," said an AUEW member.

The men were dismissive about improvements in bonus payments; in the last three weeks their bonus earnings had been 43p, £1.04 and 18p, as said. These low payments reflect the dispute at Cowley during the launching of the Triumph Acclaim a few weeks ago.

The plant strike committee have discussed picketing with the police. The stewards said a restriction had been placed on the number of pickets on each gate.

Yesterday, only about 20 men were picketing the plant, but if today's mass picket is as large as the stewards predict, it will clearly be in breach of the Government's code of practice, which accompanied last year's Employment Act and suggested that six pickets should be sufficient for each entry to a factory.

BL Car chiefs were worried last night about how their 16,000 white-collar workers would react this morning when confronted with strong pickets.

Members of the four staff unions who negotiate separately from the manual unions, have rejected a strike and were expected to report for work as usual today. But pickets at some factories, including Longbridge and Cowley, have been instructed to use "all legitimate methods" to prevent their staff colleagues crossing the lines.

If they succeed it will create serious difficulties for the 1,900-strong dealer network for thousands of component suppliers, and, ironically, for the strikers themselves.

Car sales are processed through the headquarters of BL Cars at Bickenhill, near Birmingham airport. The management is confident that the hundreds of staff employed there will turn up today, but without their colleagues in the plants to chase dealer queries and process information on cars already in the delivery pipeline, they will be hamstrung.

Purchasing departments who handle large amounts of technical and statistical material, flowing to and from component firms, will also be cut off from their sources of information.

Venue of files were removed from factory offices on Friday. The company refuses to say where they have been taken, but the Bickenhill office seems a likely destination. They

included key files necessary to maintain day-to-day administration and confidential documents which would be at risk if workers occupied plants.

There may be no one to make up thousands of packets containing the tax refunds that become due to strikers if the stoppage continues for some time.

BL does not expect any of the costly repair bills that result from strikes in industries with round-the-clock processes, such as steelmaking and chemical production.

The only plants believed to be at risk in that way are BL-owned foundries at Leeds, Tipton and Longbridge. A BL official said: "Workers at the first two, West Yorkshire Foundry and Beams Industries, appear to have changed their minds about striking and are expected to report for work tomorrow."

He was not sure of the position at the Longbridge foundry. The company says it will be some days before dealers feel any significant effects. About two months supply of cars are in stock, said to be reasonable for this time of year. Most car manufacturers try to keep stocks of unsold cars under strict control as Christmas and the worst of winter approaches.

The most serious damage will be done to the delivery pipeline, turning confidence in BL's ability to make good cars and deliver them on time. That has been the most encouraging development in recent market surveys.

Science report X-rays used to fight rheumatoid arthritis

By Our Medical Correspondent

About 1 per cent of the adult population has rheumatoid arthritis. This inflammation of the joints is quite distinct from the ordinary arthritis found in most old people, whose joint linings have worn thin with age and repeated minor injuries.

Rheumatoid arthritis may occur at any age; and though many cases are mild, when the disease is severe it can progress to cause crippling disability within a few years.

Rheumatoid arthritis is one of the autoimmune diseases. The joints are damaged by the body's own lymphocytes, white blood cells whose normal function is protection against infection.

One approach to the treatment of severe rheumatoid arthritis is to reduce the numbers or activity of the lymphocytes, either by giving drugs or by removing the cells from the blood stream.

Two groups of doctors in the United States have now taken that approach. It is a logical conclusion by destroying the lymphocytes (and the glands where they are formed) by massive doses of X-rays.

Destruction of the lymphocytes by X-rays is an established part of the treatment of cancers such as Hodgkin's disease. It was, indeed, long term follow-up of patients with Hodgkin's disease that convinced doctors in Boston and Stanford, California, that X-ray treatment was safe and well-tolerated enough to be given to patients.

So far 21 patients have been treated in the two units. The X-irradiation was given at intervals over three weeks in one unit and less frequently over 12 weeks in the other.

The treatment relieved symptoms such as pain and swelling of the joints in 17 of the 21 patients. This relief has persisted for as long as 18 months in some cases; and there were few side effects.

Treatment by X-irradiation will remain experimental for a long time, since the adverse effects of radiation may not be apparent for many years.

Such treatments do, however, offer hope for patients with very severe disease as well as providing valuable information.

New England Journal of Medicine, October 22, 1981, p. 969.

Jury trial to stay for small thefts

By Our Legal Correspondent

The Government has no plans to change the law to remove the right to trial by jury from a category of minor thefts, Mr Patrick Mayhew, Minister of State at the Home Office, has confirmed.

In a letter to Mr Greville Janner, Labour MP for Leicester, West, Mr Mayhew said that the Home Secretary was aware of recent cases in which crown court judges had called for changes involving thefts of small amounts to be heard by magistrates only.

The Government would reconsider the matter, "should there be evidence of a marked change of opinion in Parliament," Mr Mayhew said.

He referred to statistics showing that delays in the courts were decreasing. Outstanding trials in crown courts in England and Wales numbered 19,318 at the end of last June, a drop of nearly 3,000 compared with the end of 1979.

In London the number of outstanding trials had dropped from 9,000 in July, 1980, to 7,443 last June. The backlog of work in London had fallen from more than 10 months at the end of March, 1980, to six and a half months a year later.

The average duration of hearings in London had dropped from 117 hours at the end of 1979 to 92.2 a year later.

Black borstal intake causing concern

By Lucy Hodges

A third of borstal inmates in south-east England are now black, and in 10 years almost half of London's black youth will have spent time in custody, according to a programme shown on independent television yesterday.

It said the figures are out of proportion to the percentage of black youngsters who are of borstal age. Part of the reason for that may be that young blacks commit more crimes than whites, but that is not the sole reason, because even the highest estimates do not suggest that blacks commit three or four times as much crime as whites.

Professor Norman Tutt, of the department of applied social studies at Lancaster University, interviewed on London Weekend Television, said magistrates were more likely to lock up young offenders if they were homeless, unemployed or had been in care.

He also suggested that probation officers, who advised magistrates, were less likely to recommend non-custodial sentences for young blacks than young whites. That was because most probation officers were white, and that made it difficult to form the kind of relationship with blacks needed for effective supervision.

Research in Birmingham showed that the combined effect of those factors led to blacks being three times as likely to be locked up as whites.

Home Office figures showed that a record number of black youngsters committed further crimes within two years. Last year it was 81 per cent. Prof Tutt described the system as a "dismal failure."

Yesterday's programme, the second in a two-part series on black youngsters, sought an interview with Home Office ministers but was told no one was willing to appear.

Mr Timothy Raison, Minister of State at the Home Office, is to be asked to intervene in the case of a West Indian man aged 36 who has been held in a remand centre for a year without trial while the Government has been trying to find a country to which it can deport him (Philip Webster writes).

Mr John Tiley, Labour MP for Lambeth Central, and a frontbench home affairs spokesman, yesterday wrote to Mr Raison about Mr Alfred Davidson, who came to Britain from Jamaica in 1974.

Mr Tiley said that Mr Davidson's first friend and their four-year-old daughter live in Brixton, London. If they had known when their child was born that his immigration status was in doubt they would have married.

Mystery of £500,000 gold hoard

By Our Legal Correspondent

A seventh-century hoard of gold and silver worth an estimated £500,000 will probably keep its secret when it is offered at auction at Sotheby's in December, because no one knows its origins.

The seller of the collection is a businessman from Europe who wishes to be anonymous. The sale comprises 122 gold and silver items, including two Byzantine silver plates, from the Avar period, AD 560 to 700. The Avars, a warrior tribe of itinerant nomads, probably originating from what is now Hungary, are recorded in the history books as lovers of gold.

Tests at the laboratories of the Atomic Energy Research Authority at Harwell, Oxfordshire, on specks of organic material found on one of the belts dated the gold and silver at about AD 700.

Mr Richard Camber, a director at Sotheby's, said: "I would very much like to get to the bottom of the mystery."

Sale Room, page 10

Monthly TV fee a likely option

By A Staff Reporter

A monthly television licence fee for paying the television licence fee is expected to be approved by the Government when it announces its decision on the fee increase later this month.

The BBC is asking for a £50 colour licence and has said it would help if a series of measures was introduced to assist the licence payer.

Stamps and gift tokens are already available and a Home Office working party has been looking at payment by monthly instalments through the Post Office, by monthly direct bank debit, or by credit cards.

All the schemes have been discussed for some time. I have plans for taxing car tax and for making home, which at present needs only a single licence, pay according to the number of bedrooms.

The last licence increase, raising the colour fee from £25 to £34, was made in November, 1979, and was planned to last at least two years.

Teacher chosen to fight Crosby for Labour

From John Chartres, Crosby

Crosby constituency Labour party last night chose Mr John Backhouse, a schoolteacher aged 28, who appears to stand to the left of centre of the party, as its candidate for the forthcoming by-election, which is to be contested by Mrs Shirley Williams for the Liberal-Social Democratic Party Alliance.

Mr Backhouse, who said he would fight the election on socialist policies, is in favour of withdrawal from the Common Market and of unilateral disarmament.

He teaches mathematics at a comprehensive school in Crosby, and asked how he viewed a Conservative majority of 19,272 in mathematical terms, replied: "I am looking at the election

politically—if I had any chance of being standing."

Mr Backhouse's constituency, Mr Anthony Mulhearn, who is now Labour candidate for the Tameside division of Liverpool, polled 15,496 votes in 1979 against 34,768 cast for the Conservative, the late Sir Graham Page, whose death has led to the by-election.

Mr Michael English, Labour MP for Nottingham, West, was re-elected by his constituency Labour party last night as candidate at the next general election. Mr English, aged 51, is regarded as being in the centre of the party.

HOSPITAL STAFF SIT-IN

Domestic staff at St Mary's Hospital, Harrow Road, west London, have occupied the office at the hospital of Dr Julian Nottel, sector administrator for the Kensington, Chelsea and Westminster Area Health Authority, in protest against plans to close three wards and to restrict the service of the casualty ward.

About forty workers, members of several unions, are occupying the office in continuous shifts. They have been served with formal notice to quit.

Plans were announced last month for the winding down of St Mary's, Harrow Road, with eventual closure in 1986.

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THE POPPY APPEAL

London puzzled by Dullin hops for summit taks

By Christopher Thomas

The Irish Republic's mounting obsession with swift and decisive action over Northern Ireland is clearly beginning to vex the British Government. Whatever eventually appears to change the Anglo-Irish scene, those intimately involved in the increasingly complex web of Dublin-Belfast politics know that nothing substantial is about to change.

Re-leak and immediate Irish Government has built this week's prime ministerial debate between Dr. Garret FitzGerald and Mrs. Margaret Thatcher into a crunching. The British side, however, does not see it that way. The overriding impression is that Whitehall is that Dublin's built up expectations to a surprise announcement.

Mr. Charles Haughey, former Taoiseach, confided the issue last week, appearing to publicly leak the principal contents of an Anglo-Irish studies that have been continuing in private since January. Later he said that they were merely his own opinions.

In fact, it seems that there is no difference between Haughey's view of what should happen and the view expressed in some of the joint study papers to be presented to Dr. FitzGerald and Mrs. Thatcher at Downing Street probably on Friday.

The answer doubtless lies in the fact that Mr. Haughey knew the substance of the joint studies before he was ousted from office in July.

He opened the Irish television last week in an Irish television speech at a conference in an attempt to win praise for the ideas that have emerged from the process of Anglo-Irish political cooperation that he initiated with Mrs. Thatcher but which is bearing its first fruit under the government of Dr. FitzGerald.

The essence of the joint studies concerns economic cooperation, but there are

Streamlined weapon production sought

By Peter Hennessy

Defence ministers are considering ways of streamlining the first crucial stage of Whitehall's detailed and time-consuming system for turning the weapons needs of the Armed Forces into military equipment.

A report has been prepared by Mr. David Fisher, a Ministry of Defence official, on the work of two committees, the Operational Requirements Committee, a sub-group of the Chiefs of Staff Committee, chaired by Lieutenant-General Maurice Johnston, and the Ministry's Defence Equipment Policy Committee, under Professor Sir Ronald Mason, its Chief Scientist.

General Johnston's group is primarily concerned with making a military judgment about the nature and performance of a proposed new weapon and where it will fit into the overall configuration of the country's arsenal. The Mason group is obliged to examine its wider implications, including its likely cost, the ability of the ministry's research and development establishments to develop it, the capacity of British industry to produce it and the possibility of collaborating with an ally.

The early stages of a project can be fraught with inter-service rivalries and the conflicting interests of the Military Scientists, civilian administrators and the Treasury.

Navy recruitment almost halted

Recruiting for the Royal Navy has almost stopped as a result of the Government's recent defence review, which ordered a cut of between 8,000 and 10,000 in manpower (Our Defence Correspondent writes).

Whitehall sources confirmed that the position was being reviewed monthly. But recruiting officers will have little to offer until late November.



Miss Jones keeps the Army on its toes

Sharon Jones, aged 16, a former gymnast, helping some of the Army's toughest men to prepare for posts as physical training instructors. Miss Jones gave up serious gymnastics after dislocating her neck, and took her job at the Army School of Physical Training in Aldershot because she could not find work in Chesham, Gwent, her home town.

Explaining how she got the job, Miss Jones said: "The woman in the careers office was about to ignore the vacancy with the Army because she thought I would not be qualified or interested, but it was just the job I had been looking for. I am here until March, and the work experience will help when I try for a full-time job. I should like to do remedial gymnastics, which is similar to a physiotherapist's job, building up people's strength after injuries."

Miss Jones's duties at Aldershot include testing the fitness of men who want to become physical training instructors. With special instruments she can monitor their pulse rates after workouts. She prepares training equipment, looks after the gymnasium, and helps with lectures on anatomy and physiology. Miss Jones, who joins the soldiers on running, jumping and cycling exercises, said: "I first got interested in this kind of work when my boyfriend, who was a Welsh Army pole vault champion, smashed his knee-cap during a vault. They said it would take him 18 months to learn to walk again, but with the help of a remedial gymnast he was back on his feet in six months, and now he is playing football again. I reckon that is a worthwhile job to be doing."

Scarman to discuss report with police

By Lucy Hodges

Lord Scarman, whose report on the Brixton riots is expected to be published in three weeks, is to meet chief constables and black leaders to discuss his recommendations, it was disclosed yesterday.

His report, which will recommend far-reaching reforms of the police constabulary system and police liaison with local communities, went to the Home Secretary last Friday. It is long and is likely to be published in the week beginning on November 23.

Lord Scarman confirmed yesterday that he had agreed to meet chief constables and community leaders after his report had been digested, probably some time in December. The initiative for the meeting came from a tripartite group of police, race relations experts and ethnic minority leaders, chaired by Mr. Barry Pain, Chief Constable of Kent and President of the Association of Chief Police Officers.

In a letter to Mr. William Whitelaw, the Home Secretary, Mr. David Lane, chairman of the Commission for Racial Equality, who is also a member of the tripartite group, explained that the meeting has been set up to further the ideas of the group.

The idea to invite Lord Scarman came from the police side of the group at a meeting in Nottingham two weeks ago, which was attended by Mr. Wilford Gibson, Assistant Commissioner of the Metropolitan Police, Mr. Kenneth Oxford, Chief Constable for Merseyside, and the chief constables of Leicestershire and West Yorkshire. Leading members of ethnic minority groups were also present.

The police are known to be worried about Lord Scarman's report and to be resentful that the inquiry concentrated on the police rather than the wider issues of unemployment, deprivation and discrimination.

IN BRIEF

Mersey dockers accept deal

After six months of negotiation the 3,500 dockers of Merseyside voted yesterday by four to one to accept a pay and productivity deal which will bring radical changes in working practices.

Their decision came after a fortnight of talks between the union and port employers over details of the deal, the main points of which had already been overwhelmingly accepted by the dockers.

Nuclear protesters move out peacefully

The five-month protest at Luxulyan, Cornwall, against a proposed nuclear power station is over. The protesters moved out voluntarily on Saturday from the field where they have been camping to prevent test drillings to show if the site is suitable.

Service for Shankly

Liverpool football supporters will be able to attend a memorial service for Bill Shankly on November 22. More than half of the 2,000 seats at the Anglican Cathedral, Liverpool, have been reserved for them.

Bank raid charge

Frank Maple, aged 42, who was extradited from Austria in connection with the £3m Bank of America robbery in Mayfair six years ago, was remanded in custody at Marlborough Street Court, London, on Saturday, charged with seven offences.

Wife helps sick DJ

The wife of Mr. Stuart Henry, a disc jockey, takes over reading the news on his Radio Luxembourg programme tonight because Mr. Henry, who suffers from multiple sclerosis, can no longer cope with the five-minute bulletins.

Racism in schools

School children who make racist attacks on ethnic minority pupils or teachers should be suspended or excluded from school, the National Union of Teachers says today in a policy statement.

The Queen's Speech

Union reform the biggest battle for Government this session

By George L...

No one needs a crystal ball to forecast that the proposed legislation for the next session of parliament, to be outlined in the Queen's Speech on Wednesday, will provoke the most intense opposition that Mrs. Margaret Thatcher and her Administration have encountered since they took office. The nature of the measures and the heightened tension in the principal parties as well as between them guarantees a year of hard political fighting.

The biggest political battle will come on the Bill to put further curbs on the trade unions. They will be tougher than those contemplated by Mr. James Prior, who believed in a gradual approach when he was Secretary of State for Employment.

Mr. Norman Tebbit, his successor, which has been welcomed by Tory right-wingers, who believe that the Government has so far fallen down on its election manifesto promises.

Mr. Heseltine's Bill in the Department of the Environment to strap a tighter clamp on the big spenders among the local authorities will meet the full weight of Labour opposition and there are a number of Tory backbenchers, urged on by some Conservative local councillors, who will oppose increased "dictatorship" from central government.

Although the 1980 Queen's Speech gave little hint of it, about fifty Bills were pushed through last session. This year Mr. Francis Pym, the Leader of the House, reckons he has reduced the number to more reasonable levels. Members of both Houses will protest if that is not the case.

Mr. Pym also has to recognize that dangers from his own backbenchers are posed by legislation which cannot be listed in the Speech but may be needed when the Cabinet has settled on the drastic cuts in public spending to be made in 1982-83.

Speculation centres on the probability that unemployment and other social security benefits, including child allowances, will not be uprated to take full account of inflation, and that health service charges will be raised.

With its strength increasing every day, the Social Democratic - Liberal Alliance, is now able to marshal 34 votes in the Commons on specific issues, and on some issues the Government's ability to proceed may depend on its votes.

The first for the Government has been the end of July of the north-west of Scotland, where they had been banned for years.

A vote of 11,000 tonnes of fish suit for human consumption sent for use as livestock, and a further

Simpson style...

Style is difficult to define but easy to recognize. At Simpson, style is today's approach to life reflected in superb clothes from the liveliest designers - elegant clothes - fun clothes - action clothes - chosen in a relaxed atmosphere and cheerful, spacious surroundings. For formal or casual moments, for business or for the great outdoors, there's only one way to dress. Simpson - where style is always in fashion.



Loden reversing to weasel hooded fur coat, with fox trim. £1350.00. Leather jodhpurs in sable or khaki, 10-14 £120.00. Lacy knit sweater with frill neckline in cognac blue or green/cognac, 10-16 £44.00.

Proofed caven poplin raincoat with leaf applique reversing to beige mink pos fur with fox trim. £2100.00. Wool/silk two-piece £175.00. Boots in brown leather £125.00.

Dumped food - passing charities

By Hugh Clayton Agriculture Correspondent

Almost 1,300 tonnes of fish has been dumped at sea in the past 12 months by British boats because of EEC rules. The latest survey by the Intervention Board for Agricultural Produce shows a steady increase in the amount of food bought under community rules and then used as animal feed or thrown away.

The fish for fish have been dumped by the sudden opening of the end of July of the north-west of Scotland, where they had been banned for years.

A vote of 11,000 tonnes of fish suit for human consumption sent for use as livestock, and a further

693 tonnes was used for pet food.

The figures show that the community's system of protecting fishermen and farmers against low prices is not meeting one of its main aims, which is to provide cheap food for charities, hospitals, schools, prisons and other non-commercial institutions.



Simpson
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VICARILLY

Brezhnev offers big reductions in nuclear missiles

From Patricia Clough, Bonn, Nov 1

The Soviet Union would be prepared to agree on very substantial reductions of medium-range nuclear missiles if NATO dropped its plans to station new cruise and Pershing missiles, President Brezhnev said in an interview published here today.

He also suggested that the United States was not interested in talks on reducing medium-range missiles, but alone in successful negotiations. His remarks were made in a long interview published in the news magazine, *Der Spiegel*, three weeks before he visits Bonn and four weeks before the beginning of missile negotiations between the United States and the Soviet Union in Geneva.

His suggestion of very substantial reductions are the biggest concession offered so far in return for scrapping the NATO plans. Mr Brezhnev said the Soviet Union was threatening nobody and was bent on a military balance of power rather than superiority. He played hard on all the fears and suspicions that the West German peace movement has about the intentions of the United States.

Arguing that a balance of power already existed in Europe and that there was not a Soviet superiority in medium-range missiles, as NATO maintains, Mr Brezhnev said the Soviet Union has 975 medium-range nuclear weapons. He confirmed that the SS20s have three warheads—which was sometimes doubted in the West—but said their explosive power was less than that of the older SS4 and SS5 missiles. Therefore, as the older missiles were phased out, the total

Threats fail to stop strikes in Poland

From Dossa Trevisan, Warsaw, Nov 1

Strikes continue in Poland despite the resolution passed by Parliament calling for their immediate end and the restrictions threatened by General Wojciech Jaruzelski, the Prime Minister.

The presidium of Solidarity, the free trade union organisation, made a further appeal to the members calling for a self-imposed limitation on strikes with possible disciplinary sanctions.

Solidarity's presidium is largely in the hands of moderates. But its national commission, which is due to meet on Tuesday, has over 100 members and is more unpredictable with all shades of opinion represented.

The parliamentary resolution is clearly intended as a means of gaining time and giving the union leadership an opportunity to act. But the Government has also backed the Government against paying wages to people on strike.

The parliamentary resolution said: "The product of labour of the whole nation cannot serve to pay whoever takes part in strikes for demands which run contrary to existing social agreements."

This puts the leaders of solidarity in a still more awkward situation. The presidium of the union organisation in fact admitted last Thursday that it might not be able to act if wildcat strikes continued.

It appealed to its members to end the strikes and said the union's existence depended on showing unity.

The parliamentary resolution emphasized "understanding of the discontent provoked by daily hardships", but it also left no doubt that the demands for payment for strikers will not be met.

The parliamentary resolution is firm in condemning extremist activities but is also conciliatory and clearly the role of an intermediary between the authorities and the nation.

Two central committee meetings which took place recently instructed the Communist members of Parliament to get legislation passed for a temporary ban on strikes. There are 26 Communist deputies out of 488 but clearly at this juncture the Communist Party would have run the risk of isolating itself still more.

Parliament, moreover, has lately been distancing itself from the executive and in calling for the end of strikes the resolution also made a point of paying tribute to the presidium of Solidarity for trying to stop the strikes.

Antigua handed over on a sticky wicket

From Jeremy Taylor, St John's, Antigua, Nov 1

Britain last night handed independence to the largest of its remaining Caribbean dependencies, Antigua and Barbuda, in a quiet ceremony at the island's sodden cricket ground. The rain that for two days had threatened to wash out the festivities eased and by midnight the sky was clear and ideal for fireworks.

The band of the Royal Marines, squelched bravely through the mud of the island's recreation ground, playing "What shall we do with a drunken sailor?" followed by a detachment from HMS Lonsdale and the Antigua police band in almost identical white uniforms.

But the elaborate dais where Princess Margaret was to hand Antigua's constitutional freedom was abandoned. The VIPs were seated with dry feet under cover in one of the stands directly underneath the press box where the press corps spent much of the night fending off hordes of belligerent moths and beetles.

There will not be many more of these independence ceremonies with their remnants of imperial splendour: the lowering of the Union Jack, the raising of the new nation's flag, Antigua's flag a yellow sun rising over a blue sea, capped in a V for victory.

The Royal Navy provided helicopter acrobatics, a catwalk display, 21 shattering midnight gun blasts, half the parade and fireworks display which thundered over St John's like Nelson's guns.

Watched by over 40 delegations, a brigade of Caribbean leaders and a capacity crowd of cricketers crammed into the cricket stands and perched on the scoreboard, Mr Vere Bird, the Prime Minister, a vigorous 71-year-old who has spent 40 years pushing for last night's handover, forgave Britain its imperial interference.

"We cannot blame today's Britain for the rule of yesterday's empire," he said. "Those days are gone and should only be recalled in a constructive

sense, as a reminder to us never to relinquish our freedom again."

The key to that, he argued, was productivity, without which they may state of 74,000 will risk dependence on a new master who will once again dictate our policies and direct our affairs."

Antigua's links with Britain will remain strong, however. Yesterday morning, Princess Margaret climbed the gentle hillside overlooking the St John's deep water harbour to open a smart new £320,000 parliament building, built with the help of British aid funds.

Mr Neil Martin, Britain's Overseas Development Minister, promised continued friendship and assistance, while Mr Ernest Williams, Antigua's Works

Minister, hinted broadly at the need for more development aid and swore loyalty to preserve Westminster democracy.

Britain is likely to be a big donor to Antigua's 1981-84 £40m public sector development plan, which includes expansion of tourism.

Antigua's economic growth is the envy of most of its eastern Caribbean neighbours, averaging 7.5 per cent between 1977 and 1979 and 3 per cent last year. At 16 per cent, its inflation rate is the lowest in the area. Yet after three and a half centuries of British domination Antigua's economy remains dependent on a single fragile commodity.

First it was tobacco, then

rum, then sugar, and now tourism. The island's economy is still heavily dependent on the tourism industry.

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Allegations of cheating as Tunisia goes to polls

From Godfrey Morrison, Tunis, Nov 1

Tunisia had their first multi-party democracy in 22 years today, but even before the polls closed the three Opposition movements jointly accused the Government of cheating.

The voting was for the 136 members of the Chamber of Deputies and early voters included President Habib Bourguiba whose own position is now at stake because he is President for life.

A two-week campaign has brought Tunisians the unprecedented experience of hearing television of the ruling Socialist Party (PS) which has enjoyed a monopoly of political power for a century.

Three Opposition groups casting the election, the Tunisian Communist Party, the Movement of Social Democrats (MSD) and the Popular Unity Movement (MUP), called a press conference halfway through polling day to announce that the authorities had acted illegally in preventing observers from being at polling stations.

They also had not been allowed to do their job properly. Sportsmen had been threatened with suspension if they did not vote, and some had been prevented from voting, the Opposition claimed. Mr Ahmed Messiri, a Social Democratic leader, said two of his movement's candidates in the Kassarine constituency in central Tunisia had been arrested.

During the campaign the ruling PSD, which has fought the best in a National Front, alliance with Tunisia's powerful union, has appealed to voters on its record. Mr Muhammad Mzali, the Prime Minister, who has played a large part in the recent opening of political life here, has led the National Front's campaign, particularly emphasizing the Government's economic achievements.

These are considerable and the Prime Minister has dashed about the country in the past couple of weeks, opening factories and inaugurating public works.

The Social Democrats, who are fielding the most candidates, have mainly appealed to voters by means of a liberal message, in effect: "Vote for us to make sure pluralism becomes a reality."

The Social Democrats also succeeded in making the manner in which the authorities have conducted the elections one of its main issues.

Murder victim frozen

From Peter Nichols, Rome, Nov 1

Signor Giovanni Palombini, aged 80, a kidnapper victim, was killed and his body kept in a freezer for three months while the murderers tried to extort more money from his relatives. The family paid 600m lire (about £270,000) as part of the ransom requested after receiving photographs of Signor Palombini, a millionaire coffee industrialist, offered as proof that he was still alive.

In fact his abductors had killed him at least a month earlier by shooting him three times in the chest, and had then dressed the body for the photographs, placing sun glasses on the face and a newspaper in one hand.

Signor Palombini was kidnapped on April 17. Some reports say the gang killed him after he had managed to free himself from his bonds in the tent in which he was held near Rome, and knocked on the door of a house where he expected to find help, but instead found himself face to face with the leader of his captors.

The Pope expressed outrage at the murder. Abductions filled him with grief, he said, which "turns into consternation" in the case of Signor Palombini who was an old man. "I renew my damnation of such an inhuman abuse," he told pilgrims in St Peter's Square.

OFFICIAL ACCUSED

Tel Aviv, Nov 1.—Mr Ayre

Nary, the Israeli Cabinet secretary, was charged this weekend before a civil service disciplinary court with conduct unbecoming to a government official.

The complaint was lodged by Mr Raanan Lurie, the cartoonist now employed by *The Times*, who claimed Mr Naor had given him secret information about a telephone conversation between President Carter and Herr Helmut Schmidt. Mr Naor claimed the item had already appeared in the Israeli press.

Hongkong has doubts about refugees

From Richard Hughes, Hongkong, Nov 1

Hongkong will review its policy of granting asylum to Vietnamese refugees, Mr John Heywood, Deputy Secretary for Security, has said.

"The newcomers are now economic adventurers and are not leaving their country for political reasons," he said in an interview. "It is time for us to stop and reflect on what we have done so far."

His remarks came after rioting at one of the Hongkong camps, where refugees are obviously becoming concerned over delays in resettlement.

Mr Jacques Terlin, Hongkong representative of the United Nations High Commissioner for Refugees, said: "Most countries are reluctant to accept refugees because they think the problem has been resolved."

He said that most of the 19 countries accepting refugees in Hongkong had halved their numbers. So far this year the United States has accepted 11,709 refugees from Hongkong, compared with 16,382 last year. Canada has reduced its intake from 6,542 last year to 1,771 and Britain from 5,087 to 1,713. There are 16,700 Vietnamese

refugees in Hongkong, about half of whom have been awaiting resettlement for two years. Most of them are of Vietnamese origin.

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Disputes threaten shape of Spanish politics

From Harry Dechius, Madrid, Nov 1

Internal disputes in all three of Spain's major parties raised the possibility here today of realignments in Parliament and Cabinet changes in the relatively near future.

The executive committee of the ruling party, the Centre Democratic Union (UCD), is scheduled to meet in Madrid tomorrow to discuss its surprising loss in the recent elections for the regional Parliament in Galicia.

That meeting will take place against resignation threats from prominent deputies of both the right and left wings of the party, and the defection of one UCD deputy last week.

The Socialist block in the Cortes is due to choose its leaders next Tuesday, after last month's congress of the Spanish Socialist Workers' Party (PSOE), which was boycotted by the party's left wing.

The elections in the parliamentary block are expected to confirm the PSOE leadership's relative moderation, by replacing Señor Gregorio Peces Barba, the group's chief parliamentary spokesman with Señor José Luis Sáenz de Cosculluela, a newly elected member of the party's executive committee.

Señor Peces Barba, a prominent member of the dissent left wing of the party, resigned from that post after the congress.

Señor Santiago Carrillo, the secretary-general of the Spanish Communist Party (PCE), attempted in Bilbao today to piece together the remains of his organisation in the Basque country. After the leadership of the regional communist

party there, the Euzkadi Communist Party (EPK), severed its ties with the PCE.

The Basque Communists broke away after the party's leadership in Madrid insisted on laying down certain conditions for the proposed merger of the EPK with the Basque left coalition. The merger was carried out by Señor Roberto Lertxundi, the EPK leader, without the blessings of the Madrid headquarters, and Señor Carrillo promptly excommunicated Señor Lertxundi and his followers.

At the same time, the Catalan Unified Socialist Party (PSUC), which is the communist party of Catalonia, published a call for a party congress to settle a persistent dispute within the party about acceptance of the Eurocommunist line championed by Señor Carrillo. An anti-Carrillo decision at the PSUC congress could seriously hurt Communist unity in the Cortes, where it has seven of the 22 communist seats.

More imminent realignments in the Parliament could result from the row between social democrats and conservatives within the ruling Centre Party. The conservative Christian Democrats are calling for an extraordinary congress. The party's leaders are expected to try to ride out the storm and out of such a congress until it becomes absolutely unavoidable.

The Party's deputy for the province of Ciudad Real quit the party last Friday, and two other conservative deputies have threatened to do so soon.

Star Wars

US denies Moscow has killer satellite

From Nicholas Ashford, Washington, November 1

Stars wars are about to break out in space, if a report published by the authoritative *Aviation Week and Space Technology* magazine is correct.

According to the latest issue of the magazine, the Soviet Union is operating in low earth orbit an anti-satellite battle station equipped with clusters of infrared homing guided interceptors that could destroy multiple American spacecraft.

These attack-vehicles, the magazine states, "provide a new USSR capability for sneak attacks on United States satellites."

This is the sort of report to send shivers down the spine of Americans, who for the past few months have been bombarded with warnings by members of the Reagan Administration about how the United States was being rapidly overtaken in the arms race by the Soviet Union.

The Pentagon has moved swiftly to calm these fears by saying that the Defense Intelligence Agency has found no evidence to show that the report is correct. Despite this, the magazine report sounds convincing.

It is known that in the past the Soviet Union launched killer satellites against target spacecraft. Last March one of these apparently caught up with a target satellite over Eastern Europe and then blew up, peppering its target with shrapnel. This was believed to be the Russians' first successful anti-satellite test for more than three years.

Until now, American early warning satellites and radar were able to determine when an anti-satellite test was being conducted. But, according to the magazine, the United States will now have to rely on its space-to-space capability to spy on Soviet space activities.

The United States has reason for concern if the Soviet Union has developed a more effective satellite-killing capability. America has more than 100 operational satellites in space which perform a multitude of functions from strategic communications to weather forecasting. These satellites could be endangered by the type of battle station which the Russians are said to have in orbit.

The United States does not have an orbiting anti-satellite battle station, but there are plans to deploy a two-stage miniature satellite rocket built by Ling-Temco-Vought and Boeing, on F15 fighters in 1984.

When President Reagan announced his decisions on the MX intercontinental ballistic missile (ICBM) and the B1 bomber at the beginning of this month, he also said that the United States intended to pursue an operational anti-satellite system.

The Soviet Union, which has petitioned the United Nations for a treaty banning all weapons in space, has accused the United States of planning to use the space shuttle for military purposes. This charge was denied by the American side. The second space shuttle is due to be launched on Wednesday.

According to Mr Robert Rotz, a former editor-in-chief of *Aviation Week*, the United States and the Soviet Union are busy developing a new generation of space weapons, including laser-armed satellites.

Writing in the latest edition of *British Aerospace Quarterly*, Mr Rotz said these weapons would be able to destroy other spacecraft and ICBM nuclear warheads by heat of penetrating shock when travelling at the speed of light over distances of up to 3,000 miles.

Singapore poll win for Opposition

From David Watts, Singapore, Nov 1

For the first time for 13 years an opposition party has won a seat in the Singapore Parliament. In a by-election victory which shook the ruling People's Action Party (PAP) Mr J. B. Jeyaratnam, of the Workers' Party, won the Anson constituency over the weekend by 650 votes.

Mr Jeyaratnam, a lawyer and tireless campaigner against what he calls the uncaring monopoly of government by the PAP, has repeatedly challenged the Government electorally over the years but never previously managed to dent the PAP's hold on all 75 seats in Parliament.

"It's a happy dawn for Singapore," Mr Jeyaratnam, aged 55, told a cheering crowd after his victory. "It is the people's victory and the shock of the PAP and all the Government agencies."

Mr Goh Chok Tong the PAP organising secretary, tried to dismiss the defeat of his party's candidate as a minor matter but there was no disguising the shock he obviously felt. He said the PAP had no intention of changing gear to win back votes.

Tamils end boycott of Parliament

From Our Correspondent, Colombo, Nov 1

The general council of the Sri Lanka opposition Tamil United Liberation Front (TULF) decided to call off their boycott of Parliament after they met in Jaffna in the north of the country.

The move is in response to a peace initiative between the Sinhalese and the Tamils begun by President J. R. Jayawardene two months ago. The 17 members of the TULF would have forfeited their seats if the boycott had not been lifted in time for parliamentary sessions scheduled for this week.

Mr Appapillai, leader of the Opposition, today said that the Government had agreed to most of their demands except for one for an impartial inquiry by the International Commission of Jurists on Amnesty International into recent violence in the north.

The Government, however, had appointed a compensation committee which was already functioning. The number of Tamil police officers stationed in the north had been increased and the Government had accepted in principle the demand for a system of home guards there.



In the footsteps of the samurai: Mr Zenko Suzuki, the Japanese Prime Minister, reviewing troops during the Self Defence Forces parade at Asaka

13 DIE IN GOLD MINE LIFT CRASH

From Our Correspondent, Johannesburg, Nov 1

Thirteen Black miners were killed when a lift bringing them to the surface fell to the bottom of the world's deepest gold mine, Western Deep Levels, near Johannesburg. Another 35, including three whites, were seriously injured in the accident yesterday.

A mine spokesman said the cage plunged 500ft to the bottom of the 11,000ft shaft after the winding mechanism failed. It was the third mine cage disaster in a South African gold mine in two years.

Thirty-one miners were killed in 1980 in the Orange Free State.

Thai coup fear as officers' homes raided

From Neil Kelly, Bangkok, November 1

Teams of paratroops and police raided the Bangkok homes of four dismissed Army officers over the weekend looking for weapons and other illegal items. They found nothing, but the action aroused public concern at increasing signs that the military are planning another attempt to overthrow the Government.

The four officers were dismissed for their prominent involvement in last April's abortive coup. One of them, Colonel Manoon Rupechorn, said the search of his house was "a blatant harassment and provocation". He said the use of paratroops for such tasks was creating a war atmosphere in the country.

A senior officer said: "We don't believe a coup is likely. Security measures are aimed at preventing other problems."

The public did not believe earlier official claims that unusual military activity in the capital during the past three weeks was "merely routine". The Government angrily denied a report in a foreign magazine that a coup in fact was attempted three weeks ago.

General Charuan, Army Commander in Chief, said: "There are no coup attempts. The rumours are groundless." An experienced Thai observer said: "some sort of

plotting is going on within the Army which is as divided as ever. The military movements and alerts are attempts to scare off the plotters. The Government is anxious to hush it up because of the effect it has on foreign investors and tourists."

General Arthit Kamlang-Ek, Assistant Commander in Chief, ordered the military alerts. His command area includes Bangkok. His meteoric rise in the past six months has not been happily accepted by the Army. His opponents accuse him of flaunting his new power to intimidate them.

Bomb explosions in two Government offices last week

were rumoured to be protests against his rapid promotion. General Arthit ridiculed the report, saying "he was not important enough."

At a press conference today General Arthit said the increased security campaign in Bangkok would continue as the military could not tolerate any activity aimed at overthrowing the Government.

He said those responsible for last week's bomb explosions had not been identified but a close watch was being kept on potential troublemakers. No evidence had been found linking the dismissed officers with the explosions. General Arthit denied harbouring personal grudges against the officers.

News talks at Unesco keep clear of ideology

From Jonathan Fenby, Paris, Nov 1

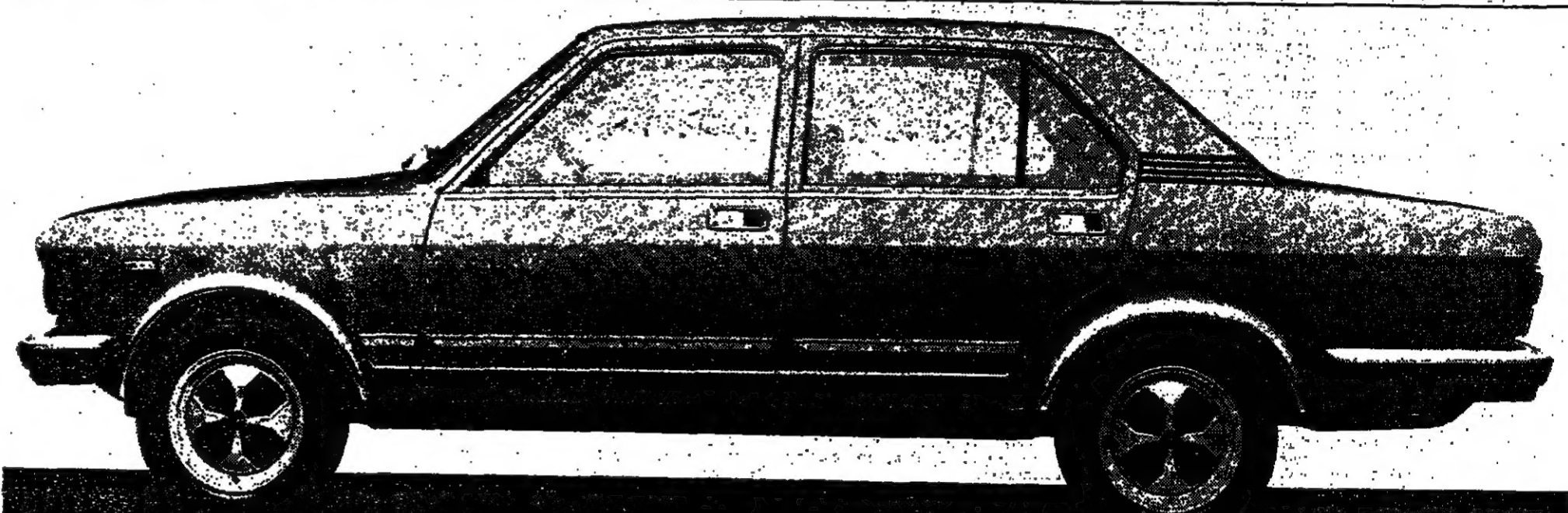
The debate on improving the way the world informs itself took a step towards practical measures, and away from ideology, at a four-day symposium of news executives in Paris.

The meeting, convened by Unesco, finished on Friday with recommendations to promote exchanges between news agencies and broadcasting stations in the developing world.

Emphasis was put on the need for lower communications tariffs. Speakers said that governments which advocated a wider flow of news also maintained high tariffs through their post offices, which acted as one of the main barriers against an increased exchange of information, particularly between developing countries and the industrialized world.

The representatives of 44 news and communications organizations, who participated in the discussions, managed generally to keep clear of the rhetoric and ideology which has so far characterized the debate about improving the flow of news to and from the developing world.

The symposium was notable for including representatives of the main international news agencies, which have been criticised within the forum of Unesco.



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Paths to Middle East peace

Syrians condemn EEC hand in Sinai peace force

From Robert Fisk, Beirut, Nov 1

The commitment by Britain and three other EEC countries to contribute troops to the new Sinai peacekeeping force has provoked swift, if predictable, anger in Syria.

Calling for political and economic sanctions against the four nations, the Damascus press claimed today they had become "full partners in the Camp David accord". A senior Syrian Foreign Ministry official said that European participation in the Sinai force would be "a blow to the Euro-Arab dialogue".

This was not the reaction which Britain, France, Italy and Holland had expected from Damascus. Their diplomats have been explaining to the Arabs that European participation would enable the EEC to broaden the perspectives of the Camp David treaty and to suggest to the Americans that serious Palestinian involvement in the peace process was now a prerequisite for its success.

It is quite possible that the Syrian Government appreciates this. But it has nevertheless found itself obliged to condemn the plan, if only to keep in step with Libya, South Yemen and Algeria, the three fellow members of the so-called Steadfastness front against Camp David.

Syria's political embarrassment has been compounded by the American sale of Avia surveillance aircraft to Saudi Arabia. They are fearful that the Saudis may have secretly agreed to support the Egyptian-Israeli peace treaty.

The Syrian news agency Sana quoted a Syrian official as saying that participation in

the Sinai force—which will police the Israeli-Egyptian border after the final Israeli withdrawal from occupied Egyptian territory next April—would "foil all European initiatives for peace in the Middle East".

In a Beirut magazine interview, published today, Mr Nasser Qadur, the Syrian Minister of State for Foreign Affairs, also alleged that European involvement in the Sinai force would serve to shore up the Camp David agreements which Syria opposed.

"The participation of one European state, or more in that force," he told the magazine *Monday Morning*, "would imply a European role which is complementary to the American role."

"We have informed the European states of this point of view, telling them, among other things, that despite the observations we made at the time about the Venice Declaration, the participation of any European state in the multi-national force would totally contradict the Venice Declaration."

"We would consider European participation in these forces a blow to the Arab-European dialogue."

The Syrian paper *Tishrin* stated today that the forthcoming Arab summit in Morocco should consider sanctions against the EEC nations. Syria, however, would probably be the loser if such sanctions were implemented. Italy, for instance, is one of the major importers of Syrian cotton.

Western Embassy staff in Beirut are aware that some demonstration of Arab anger might be made against them.

Israeli doubts on British intentions

By David Spanier

Israeli mistrust of British policy towards a settlement in the Middle East has been given a new edge of intensity by Lord Carrington's visit to Saudi Arabia tomorrow.

The recent reference by the Foreign Secretary to "a Palestinian state" which would be "legitimate" if it were the outcome of Palestinian choice through self-determination, has revived Israel's deepest anxieties about British intentions.

While not denying that Lord Carrington made such a comment during his visit to Cancun, Mexico, the Foreign Office noted that a Palestinian state was simply one possible result of Palestinians determining their own future.

The Foreign Office said that Lord Carrington was travelling to Saudi Arabia at Crown Prince Fahd's invitation mainly to discuss the Prince's eight-point peace plan put forward in August but he would also be there in his capacity as President of the EEC Council of Ministers to talk about the European peace initiative.

The Foreign Secretary may also have talks with his counterpart, Prince Saud, and Prince Sultan, the Saudi Defence and Aviation Minister, the spokesman said.

The European initiative, based on the idea of wooing the moderate Arab states, has been marking time for some months now. However, it is likely that the EEC countries would wish to give it a new impetus to take matters forward after the final Israeli withdrawal from Sinai next April.

Lord Carrington and Prince Fahd are thus likely to discuss how the Saudi peace plan and the EEC initiative can be brought closer. There are still substantial differences despite a broad agreement in the two plans that the Palestinians must be involved in the search for a settlement.

Even British participation in the Sinai peacekeeping force, details of which will be announced shortly, is viewed somewhat askance by the Israelis. British presence will be welcomed as a support for the Camp David agreements, but Israeli question what other British initiatives may be made, as a result of the visit to Saudi Arabia, in coming months.

"The Camp David framework is the only viable framework for peace," Mr Shlomo Argov, the Israeli Ambassador in London, said.



Mubarak warms to Fahd plan

From Our Correspondent Cairo, Nov 1

President Hosni Mubarak of Egypt said today that parts of the Saudi Arabian peace plan are encouraging. In an interview with about 30 of America's top businessmen, Mr Mubarak said that the eight-point peace plan proposed by Crown Prince Fahd "didn't bring anything new" but provided some good material "for dialogue in the future—not now".

An Egyptian weekly news magazine, *Rose El-Youssef*, reported that an important "Saudi personality" is expected to visit Cairo shortly to offer condolences on the death of President Sadat and to confer with the authorities. The report could not be confirmed.

Mr Ashraf Ghorbal, the Egyptian Ambassador in Washington, told the Beirut weekly magazine *Monday Morning*: "Let me say that contacts between us and our Saudi brothers have never stopped. We have had continuous contacts at all times." He declined to give details (Reuters reports from Beirut).

Arabs upset by move in West Bank

From Our Correspondent Tel Aviv, Nov 1

An Israeli university professor today relieved a general of the responsibility for the civilian administration of the occupied West Bank, and local Arabs denounced the switch as a step towards imposing autonomy in the area.

In accordance with the Government's new approach, Professor Menachem Milson, the new head of civil administration, will replace military personnel responsible for tax collection, education, health, economics, and other civilian affairs. Responsibility for internal security will shift to the army's central command.

Arab municipalities and institutions issued a statement yesterday insisting the sole legitimate representatives of Palestinians everywhere was the Palestinian Liberation Organisation, and that the nation would accept no substitute for this leadership.

The new deal got off to an inauspicious start with a wave of violence. An Israeli civilian was stabbed yesterday evening in the cashbar at Hebron, and the wounded man shot two young Arabs. Later, nine Arabs were hurt in a café in near Tarqumiah village by a grenade apparently thrown from a passing car.

Perhaps the last act by the outgoing military Governor, Brigadier Benjamin Ben Eliezer, was the imposition of curfew in the Hebron cashbar last night. It was still in force today.

Professor Milson is on a year's sabbatical from the Hebrew University in Jerusalem where he teaches modern Arab literature. He has served previously as political affairs adviser to the military government.

IN BRIEF

Germans find big arms cache

Bonn—Huge stocks of guns, grenades and ammunition belonging to right-wing extremists have been found on Lüneburg Heath in Lower Saxony, West Germany. The cache, discovered on Friday, included pistols, rifles, 13,000 rounds of ammunition and a kilogram of potassium cyanide.

Since then, a man arrested in connexion with the discovery committed suicide by hanging himself in his prison cell, a spokesman said.

Heavenly peace

Peking—China has banned demonstrations, speeches and leaflets from Tiananmen Square (The Gate of Heavenly Peace) in central Peking. A public notice was issued by the *Peking Daily* asking for solemnity, cleanliness and good social order in the square.

470 missing

Delhi—At least 470 fishermen were missing in a hurricane off the western coast of India, the United News of India reported. It said at least 11 boats sank in the Arabian Sea and five trawlers were missing.

Prisoners protest

Madrid—Prisoners went on hunger strike in two Spanish jails at Barcelona and Seville—claiming that the Government had not honoured its pledges to speed up trials and reduce prison overcrowding.

Executions sought

Istanbul—A military prosecutor is seeking the death penalty for 26 alleged right-wing activists, authorities said. They were arrested during anti-terrorism operations after the military takeover last year.

Operation for actor

Los Angeles—Rock Hudson, the actor and star of more than 30 films will undergo a heart bypass operation tomorrow, a spokesman for the National Broadcasting Company said. He is 55.

Pope's man takes over Jesuits still in a state of shock

From Peter Nichols, Rome, Nov 1

The Society of Jesus, the Roman Catholic Church's most powerful religious order, began a new period of its history this weekend as a personal delegate of the Pope took over full powers with the clear purpose of disciplining the Jesuits.

Father Paolo Dezza, aged 80, the Jesuit chosen by the Pope to lead the order, addressed his senior echelons for the first time yesterday at the Jesuit headquarters here. His first message to a group still shocked by the Pope's unprecedented action came in the form of a homily during a consecrated Mass.

His words are still bound by secrecy, partly because the Jesuits want to inform their provincial superiors throughout the world before publishing the speech generally, and partly because of the time required to devise a text.

Father Dezza is nearly blind, and spoke entirely from memory. Whatever else they might feel about him, the Jesuits were impressed by this achievement, given that the homily included copious and complicated quotations. The recording of what he said is now being transcribed and translations made from the Italian.

He was speaking in an atmosphere of confused expectancy. The Pope's decision, which was conveyed last month to the Jesuit General, Father Pedro Arrupe, was brusque. It was also, in the words of one leading Jesuit, "the worst of a number of solutions that the Pope could have adopted in the circumstances."

The Pope is known to be completely out of sympathy with certain of the activities of the Jesuits, particularly in Latin America, where he feels that some of them are both too radical and too political in their approach to the problems of social justice.

There is also surprise that the two men whom he chose to place at the head of the society are both Italians, while the Jesuit General, Father Pedro Arrupe, was Basque. It is also surprising that the Pope chose the Vicar General whom he himself chose was the American, Father Vincent O'Keefe.

Father Arrupe had informed underlined his close association with six Popes (he was confessor to two) and assured the members of the society that all the pontiffs he had known had

had a high regard for the Jesuits.

He went out of his way to make friendly references to Father Arrupe, who was present in his wheelchair after suffering a stroke in August.

Father Arrupe had informed the Pope last year of his intention to call a general congregation of the order and resign because of his advancing age. He would have been the first Jesuit General to resign.

The present unhappy phase in the order's affairs began with the Pope's instruction to the General to stay at his post and halt arrangements for calling the congregation.

Father Arrupe's fears about his own physical capacities proved tragically correct with his thrombosis last summer.



Father Paolo Dezza: Spoke entirely from memory.

Even before that, the clear differences between the general and the Pope and the long wait which Father Arrupe had to suffer before the Pope would receive him to explain his attitude more fully, upset many Jesuits.

Then came the assassination attempt when the Pope was forced to a period of inactivity. He nevertheless returned to the Jesuit problem and wrote his letter to the general appointing his own delegate.

Yesterday Father Dezza said that the Pope had wanted to postpone the general congregation until the new code of canon law had been approved. This was a new element in a tortuous story, but it does not appear to have convinced the Jesuits very much.

US RETAINS WORLD CUP IN BRIDGE

From Harold Franklia Port Chester, Nov 1

The United States retained the Bermuda Bowl in the world bridge championships, defeating Pakistan 271-190.

At the halfway stage of the 96-board final Pakistan led by three points. The United States drew away to a lead of 51 points after 64 boards and the match was determined in dramatic style on the 72nd board. Eric Rodwell, the American, played contract of three no trumps redoubled. After a favourable lead, he made nine tricks for a score of 250.

Had Munir Arsalullah, for Pakistan, chosen the alternative lead the declarer would have made no more than three tricks, the Pakistan team would have scored 2,220 and the match would have been alive again.

For the second successive time the United States won with a team made up of five professionals and their sponsor. The sponsor, Bud Reinhold, aged 67, is a player of considerable experience who played a full part in helping his team to qualify to represent the United States.

The other members of the team were Bobby Levin, at 23 the youngest player to have won a world championship, Eric Rodwell, aged 25, John Meckstroth, aged 41, and Russ Arnold, aged 57. This is the fourth successive win for the United States after almost 20 years of Italian dominance.

Chess game drawn after a promising start

Merano, Nov 1—Anatoly Karpov, the world chess champion, and Viktor Korchnoi, his Russian opponent, drew the eleventh game in their world chess championship match here last night.

Karpov, who leads Korchnoi by four games to one and is two wins away from retaining his title, offered the draw on the thirty fifth move. Chess analysts were divided about the position at the end of the game, but they agreed that it had started with exciting promise and then fizzled out.

Korchnoi opened with the Queen's Gambit which Karpov, as usual, declined. Korchnoi's sides said he was in a good position about half way through the game, but then inexplicably changed his prepared move 20. Analysts said the challenger behaved strangely throughout.

Karpov remained calm but was obviously annoyed by Korchnoi's behaviour, which experts said wasted at least an hour. Karpov sacrificed a pawn on move 24 for a dangerous counterplay despite the fact that there were no queens on the board, but Korchnoi could not exploit his pawn advantage.

Grandmasters here said they felt Karpov was playing well within himself and that his strategy was to wait for Korchnoi to make mistakes.

Only wins count in the series which goes to the first player to take six games. The twelfth game is due to begin tomorrow.

—Reuters.

Trudeau resumes constitution dialogue

From John Best Ottawa, Nov 1

Mr Pierre Trudeau, the Canadian Prime Minister, and the 10 provincial premiers tomorrow resume their interrupted dialogue on how to bring home the Canadian constitution from Britain.

The first ministers will be making what Mr Trudeau has called "one final attempt" to reach a consensus before his Government proceeds with its own unilateral patriation plan.

A similar first ministers' meeting just over a year ago ended in disarray and a scribbled Mr Trudeau, fed-up with the federal-provincial bargaining process, then unveiled his own plan for bringing home the constitution, which is chiefly embodied in the 1967 British North America (BNA) Act.

Passage of his enabling resolution through Parliament was neither as smooth nor as automatic as the Prime Minister expected, however, and it still awaits final Commons approval.

In late September the Government suffered a further setback in the form of a Supreme Court ruling that while justifiable "as a matter of law" the federal initiative needed provincial concurrence to comply with established constitutional change. Eight of the 10 provinces oppose the federal package as it now stands.

It was the Supreme Court decision more than anything else that induced Mr Trudeau to accept a resumption of summit negotiations, something he had indicated many times he did not want to get into.

The Prime Minister and his closest advisers have represented "tomorrow's meeting" which could last for two or three days, as a last-ditch attempt at consensus. If they fail they will get Parliament to approve an address to Westminster, asking Britain to give Canada control over the BNA Act, after attaching an amending formula and a bill of rights.

On Friday Mr Trudeau sounded surprisingly conciliatory saying that an agreement was close enough and that he was not considering what he might do if this week's efforts fail.

The Government, meanwhile, began forcefully reviving its position that the British Parliament would have no choice but to accede to a request from the Canadian Parliament, no matter how many provinces supported or opposed it.

Mr Trudeau said a refusal by Westminster would damage British-Canadian relations—he did not explain how—but added he did not expect such a refusal. There have been reports that the British press that Mr Trudeau's plan probably would fail to get through Westminster under present circumstances.

In Montreal this weekend, Mr Jean Chretien, the Federal Justice Minister and the Prime Minister's chief lieutenant in the constitutional war, said Westminster's failure to approve the constitutional package quickly could create "an element of complication" for Britain and the Commonwealth.

Mr Chretien appeared to hint Canadian withdrawal from the Commonwealth as a possible sequel, noting that Mrs Margaret Thatcher "knows the importance of Canada for the Commonwealth" and adding that "the Government of England will have to weigh the consequences" if it dragged its feet on a patriation request.

The declarations were reminiscent of a statement by Mr Trudeau earlier this year that he expected the British, when asked to act on the constitution, "to stick their noses and send it over".

Letters, page 9

177 DIE IN BATTLE

San Salvador.—At least 177 people were killed in recent clashes between rebel forces and the Salvadorean Army, military sources said here.



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INTERNATIONAL
Herald Tribune

Published with the New York Times and the Washington Post

The Times guide to the British film industry. By David Hewson

The British film industry has been pronounced dead many times. Yet tomorrow, the London Film Festival opens featuring 15 new British films. David Hewson gauges the health of film making in Britain.

Home-made is all the rage: but will the fashion last?

Buzz-words dot the air of Hollywood like brightly-coloured insects. Swat one called social realism and these like *Ordinary People* and *All the President's Men* spill out. Prerevolutionary horror brings forth *Jaws* and *Halloween*, escapism fantasy throws up *Star Wars* and *007*. It is part of the way of things in the more antedivine circles of the film-making world that, while good directors, producers who can police budgets and a first-rate book are quite desirable, it is the formula which counts.

This philosophy commands that you look at the qualities of recent successes, form a project around them, and then sell it to financiers on the back of a "this is an Exorist meets *Excalibur* with the nuclear family appeal of *Kramer vs Kramer*" argument. It is, of course, a very simple formula, but it is the formula which counts.

Herein they will discover a whirling, whirling mechanical world, a world of mechanical devices, which blatantly imitates the dumb infantile appeal of the R2D2 robot in *Star Wars*; a greater example of synergy, another current cinematic buzz-word — is hard to find.

Given the imagination which such packages can bring to bear on their work, there is probably one such producer doing the rounds of the financiers, looking for money to back a period film with an experimental narrative about sporting heroics.

It will, of course, be British, thereby forming a perfect link with the two office successes of New York and Los Angeles at the moment, *Karel Reisz's The French Lieutenant's Woman* and *Charles of Fire*, the David Puttnam production from a Colin Welland script.

Britain's native film industry has watched a false dawn as many times as it has seen the sun set. Yet this time around there is a very real indication that America, the lode seam of world cinema, is about to take it very seriously indeed. Mahommed Hassan, managing director of the National Film Finance Corporation, comments: "It is happening. I don't understand why it's happening and I don't think anyone pretends to. I don't think there is a convincing explanation any country finds a voice at any particular time."

The reasons why America should look elsewhere for inspiration at the moment are complex. The conventional production system of the big studios is in disarray following a series of expensive flops, headed by Michael Cimino's \$36m *Hombre*, *Gates* failure for United Artists. With other costly disasters such as Lord Grade's *Raise the Titanic* and EMI's *Honky Tonk Freeway*, it showed once and for all that vast budgets can make no sense at all, and that directors do not *per se* guarantee box office success.

The lesson is likely to be enforced later this year with *Reds*, produced and directed by its star, Warren Beatty, for a mount, over its \$30m budget, and by no means blessed with a happy gestation. Whatever the quality of

Reds, it is already being built up as the next great star-laden cinematic *Indignity* and will be lucky to survive a mauling at the box office.

This fragmentation of the traditional studio system leaves gaps in the American distribution networks which were simply unavailable to foreign films in the past. *Chariots of Fire*, for instance, which would have been lucky to have appeared outside of the main cities and art houses a few years ago, is now absolutely certain to go on several distribution, according to its producer David Puttnam.

But while it is all very well to philosophize about the creative stagnation of the major studios, any resurgence of interest in British films also has plenty to do with luck. Puttnam is very grateful for the fact that *Chariots of Fire* opened in New York the same week as the Royal Wedding and the Royal Shakespeare Company's highly successful version of *Nicholas Nickleby*, both of which, he feels, threw attention on to his very British film.

This points to one important aspect of the present revival — it is a fashion, and fashions may be creative, stimulating, artistically productive or insane, but they are always ephemeral.

The question which British film-makers need to ask themselves is how much can they exploit what is bound to be a temporary vogue in order to retain a larger share of the American cake when the fashion moves elsewhere. The answer is not likely to become apparent for some time.

The two successful titles of the moment will not be followed by any major new identifiably British films on our screens for six months. Miles Forman has the British-made *Ragtime* for Dino De Laurentiis opening in December, but the subject matter of E. L. Doctorow's book is strictly American.

In terms of prestige, the single most important project for Britain at the moment is *Gandhi*. Sir Richard Attenborough's \$22m life story of the Indian leader which will not appear until next year. Financed partly by Goldcrest, and partly through American and Indian sources, the lengthy epic stars Ben Kingsley, in the title role, Edward Fox, Candice Bergen, Sir John Mills and Sir John Gielgud.

Two low-budget productions due out next spring will give an indication of whether today's momentum is being maintained. *Britannia Hospital* marks the return to films of Lindsay Anderson, the British director who for once actually deserves that oft-cited ill-used cinematic description "seminal".

Anderson's first major feature, *This Sporting Life*, produced by Karel Reisz in 1963, followed by *Reds* (1968) and *O Lucky Man!* (1973) together represent a body of work rarely concerned with the usual concerns of British cinema, in the most acid of terms. "Lindsay Anderson is the story of the British cinema, it's as simple as that", says the NFFC's Mahommed Hassan.

The last film, which heralded an eight-year absence from the cinema, was a long and controlled



Lindsay Anderson in Britannia Hospital: Lindsay Anderson's return

portrait of the early 70s which defied foreign success through the very intensity of its introspective vision. It seems unreasonable to expect that the force of Anderson's love-hate relationship with Britain can have dimmed in the interim.

The second promising low budget is Chris Petit's *Unsuitable Job for a Woman*, co-financed by the NFFC and Goldcrest and shot around London and Norfolk this summer. Petit, a former *Time Out* film critic with one very low budget feature, *Radio On*, to his name, stands to benefit from the fact that the film is based on the book by P. D. James, the woman crime author who has now scored heavily with several titles in the States.

Much interest is likely to centre on the return of Alan Parker to this country to direct *The Wall*, the \$15m independently-financed film based around the best-selling album by the rock group Pink Floyd. The movie has had a chequered history. It was to have

been shot in West Germany last year but ran into difficulties, partly because of the group's loss of £2m in the crash of financial managers Norton Warburg.

However, successful Parker's efforts, it should be remembered that rock films customarily fare badly at the box office. Roy Baid, producer with the film company set up by The Who, says: "In America it is extremely difficult because they don't want to know a British accent. The Who have 2,500,000 fans there but we had difficulties reaching them because of the tie-ups of large theatres who would only take American films."

In fact, both The Who's first two British films, *Quadrophenia*, also based on a best-selling album, and *McVicar*, which starred the group's singer Roger Daltrey, were disappointing at the international box office. The company now has just two films on the cards, both in America though, one is from a story by the British director Nicolas Roeg.

In simple terms of output, 1981 will look a dire year for the British cinema. But the health of a native film industry simply cannot be judged on the basis of a production line. If a formula must be found for the future, it should, perhaps, be to produce with integrity intelligent, narrative films, accessible to a wide audience, and completed on time to a budget based on need rather than the egos of players or production executives.

This is not a new idea. David Puttnam, researching a paper for this year's London Film Festival, uncovered a quote from Richard Winnington, the former film critic of the *News Chronicle*. Winnington wrote 35 years ago: "What the organism of the British cinema needs is a spinal cord of quickly made, specially-written stories in the documentary-fiction style to strengthen and link together the unpredictable prima donnas at the top and the visceral box-office machinery below." Perhaps next year?

The companies who raise the cash

National Film Finance Corporation. Financed through the Eady levy on cinema receipts to the tune of £1.5m a year, the NFFC will be the first full-length film for the directors concerned. Goldcrest films. A subsidiary of Pearson Longman, the publishing empire which owns Penguin Books, the *Financial Times*, and the Longman book company, Goldcrest's principal title to court is *Gandhi*, the \$22m epic produced and directed by Sir Richard Attenborough and financed in partnership with an American company, International Film Investors. Pearson Longman expects that Goldcrest's film and television interests could be as large as any of the company's existing divisions within five years. The company put up development financing for *Chariots of Fire*, and the rock movie *Breaking Glass*, and has 10 titles in development, including *A Fairly Tall Guy*, a comedy film produced by J. F. Donlevy from his own novel.

EMI. The last remaining traditional British film-maker, after Rank's withdrawal from production, is now in the throes of a £36m film-making programme. EMI's activities have been intriguingly diverse; it has backed both *Britannia Hospital* and *Memoirs of a Survivor* as well as more obvious box material such as a new Agatha Christie film, *Under the Sun*. The most successful EMI film in recent years was *The Elephant Man* which was produced for \$6m and stands to gross the biggest return ever on a film investment for the group. But EMI is currently saddled with an expensive flop, *Honky Tonk Freeway*, directed by John Schlesinger for about \$10m which seems destined to hang round its neck for some years to come.

Chrysalis. The records empire has been trying to break into the visual entertainment area for some time. It is now working on *Prick Up Your Ears*, a film biography of Joe Orton to be directed by Stephen Frears for a budget of £1m. It has other film projects in preparation including a horror movie.

CHARIOTS OF FIRE
The balance sheet of a British success

Total production cost	\$6.05m*
Script development	Goldcrest Films 0.05m
Production:	
20th Century Fox	\$3m
Allied Stars	\$3m

* Does not include distribution costs

Estimated potential income \$15m

UK cinemas	\$4m
UK TV and Video	\$2m
International Cinema	\$5m
International TV and Video	\$3m

The film makers

Sir Richard Attenborough.
In a lengthy career which started with acting in *In Which We Serve* in 1942, Attenborough has placed an often unappreciated emphasis on making British films, with the occasional trip to Hollywood. He coproduced and directed *Oh! What a Lovely War* and directed *Young Winston*, both of them more comfortable vehicles than his recent American film *Magic from Gandhi*, and becomes the chairman of the British Film Institute next January.

Karel Reisz.
With the release of *The French Lieutenant's Woman*, Reisz has rejuvenated a career which showed signs of flagging. Born in Czechoslovakia in 1926, he made a number of shorts in Britain in the 1950s, moving later to features like *Saturday Night and Sunday Morning*. A move to Hollywood later brought *Leopard*, *The Gambler* and *Dog Soldiers*, all critically acclaimed to some extent but far from spectacular box office successes.

Clive Parsons and Davina Belling.
A production partnership with seven films to their credit *Inserts*, *Rosie Dixon Night Nurse*, *That Summer*, *Scum*, *Breaking Glass*, and *Gregory's Girl*. Their present project is *Britannia Hospital*, directed by Lindsay Anderson on a £1.5m budget from EMI and the NFFC.

John Schlesinger.
With Anderson and Reisz, a leading talent in the British cinema revival of the early Sixties, Schlesinger's films include *Billy Liar*, *Far From the Madding Crowd*, *Midnight Cowboy*, and *Yankee Doodle*. His latest, *Honky Tonk Freeway*, financed in the tune of \$30m by EMI, opened recently to poor reviews. Schlesinger is to direct Sam Shepard's new play, *True West*, at the National Theatre next month.

Alan Parker.
Used to shoot television commercials until he made *Bugsy Malone* with David Puttnam, *Midnight Express* and international acclaim followed. Puttnam says Parker's direction worked well because, after *Bugsy Malone*, he needed to prove he could make films which were not just for children. After a period in America, Parker has returned to the United Kingdom to direct the \$15m version of *The Wall*, a film based upon Pink Floyd's bestselling album.

Derek Jarman.
A painter by training, which usually shows in his work, Jarman's first film was *Sebastiane*, a Latin dialogue version of the life of the early Christian martyr. The bizarre nature of Jarman's style was apparent earlier in his sets for Ken Russell's *The Devils*. Jarman later filmed *Straw Dogs* in the punk London of 1977 and *Elizabethan England*, and *The Tempest*, made by Don Boyd's company, which has won much acclaim for its translation of Shakespeare to the screen.

Chris Petit.
A former film critic with *Time Out*, his first feature, *Radio On*, which was backed by the BFI Production Board, provoked enough interest to lead to an \$800,000 budget from Goldcrest to shoot *An Unsuitable Job for a Woman*. With Hollywood now looking anxiously at filming other P. D. James titles, Petit's work could be astutely timed.

Lindsay Anderson.
Now near to completion on *Britannia Hospital*, Anderson plans to follow this up with his first American-made feature. A key figure in the British cinema industry, both for his films and critical work, notably the recent book on John Ford, Anderson's abrasiveness in the face of an undeniable talent has on occasion chased away potential investors.

Bill Forsyth.
A graduate of the National Film School, Forsyth first earned a reputation for *That Shining Star*, a comedy set in his native Glasgow, and followed this with *Gregory's Girl*, made for £129,000 and quickly snapped up for distribution by ITC. Lord Grade's distribution subsidiary, Now working on a film for David Puttnam, a comedy to be set in the Western Isles. The script for *Gregory's Girl* was written before *That Shining Star* and was originally intended for the BFI Production Board. The feature was resurrected after the latter's success and financed by Scottish Television and the NFFC.

Don Boyd.
Varied track record as a producer. Boyd's early films, such as *East of Elephant Rock*, won little acclaim, but he achieved some success with *Derek Jarman's The Tempest* and the Producer of EMI's *Honky Tonk Freeway*, which will do him no good at all, he is producing Chris Petit's film and has an American project on the cards.

David Puttnam.
An ubiquitous figure in the British industry, Puttnam's career as a producer includes such titles as *Stardust*, *Midnight Express*, and *Chariots of Fire*. A leading personality behind Pearson Longman's Goldcrest company, he is working on a film based around Edgar Rice Burroughs' original *Tarzan* story — most of it to be shot in studios at Weybridge or Warners, and on the new Bill Forsyth film, which will be independently financed.

Law Report November 2 1981 Chancery Division

No taxation without specific legislation

Willows v Lewis (Inspector of Taxes)
Before Mr Justice Nourse
[Judgment delivered October 30]

The mobility allowance introduced in August 1975 by the Social Security Pensions Act 1975 and paid to persons unable or virtually unable to walk, was not chargeable to income tax under Schedule E. The legislation that it had been assumed made such an allowance taxable could not charge the allowance to tax because it was not an allowance that was in existence at the time that the charging provisions were enacted.

His Lordship so held in the Chancery Division in allowing an appeal by the taxpayer, Mr Peter Willows, a disabled barrister, from a determination of special commissioners. He reduced an assessment made to him for 1978-79 in the sum of £1,129 by the amount of his mobility allowance, namely £481.

Paragraph 3 of schedule 2 to the Finance (No 2) Act 1975 amends the law so as to make the allowance chargeable to Schedule E income tax after April 6, 1979.

Mr Willows did not appear but gave written submissions to the court; Mr Robert Carruthers for the Crown; Mr P. H. Goldsmith as amicus curiae.

MR JUSTICE NOURSE said that the question was whether mobility allowance could give rise to a subject to income tax. It was a non-contributory benefit payable under the social security legislation. The taxpayer was in receipt of the allowance.

The case was only concerned with 1978-79 during which the taxpayer received an allowance of £481. However the decision would apply to all such allowances payable before April 6, 1979.

It should be emphasized that the case was concerned only with liability under Schedule E. The taxpayer had suggested that the allowance, if taxable at all, was caught by Case VI of Schedule D, but that point had not been debated and no view would be expressed on it.

The scheme of the tax legislation as applied to social security benefits was to tax them under Schedule E with certain specific exceptions.

That doubtless achieved economies in drafting, but since new benefits were occasionally introduced it meant that cases were introduced had to be effected in such a way as to ensure that the charging provisions applied to them. Clearly it had been assumed that the mobility allowance would be tax charged, but the taxpayer contended that it had escaped.

Both the Social Security Act 1975 and the Social Security (Consequential Provisions) Act 1975 became law on March 29, 1975. By section 1(3) of that latter Act section 219(1)(a) of the Income and Corporation Taxes Act 1970 was amended to read: "The following payments shall be charged to income tax under Schedule E — (a) payments of benefit under Chapter I to III of Part II of the Social Security Act 1975... except unemployment benefit, sickness benefit, invalidity benefit, attendance allowance, maternity benefit and death grant."

At the date of that amendment the mobility allowance did not exist so could not then have been said to be a payment of a benefit under the Social Security Act. The allowance was introduced by the Social Security Pensions Act 1975 with effect from August 7.

The taxpayer's case was that section 219 of the 1970 Act, as amended, only brought into charge under Schedule E benefits that existed in March 29, 1975, and did not bring into charge a benefit that did not exist until that August.

The commissioners dismissed his case very shortly. It was answered, they said, conclusively by section 54(3) of the 1970 Act which provided: "Any reference

in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended... by... any other enactment."

But that view involved reading those words as including amendments made under any other future enactment, whenever passed. That was to give to section 54(3) a width of application which the wording, at best equivocal, could not bear, particularly in a taxing statute. The words were equally and more naturally capable of referring only to amendments made on or before the passing of the Income and Corporation Taxes Act. It was impossible to say that they were intended to go further than that. Both the taxpayer and Mr Goldsmith accepted that the amendment in March 1975 of section 219 had to be taken to have re-enacted section 54(3) as at that date. But that did not enable the Crown to bring in a new amendment to the Social Security Act 1975 made after that date.

Section 22 of the Social Security Pensions Act 1975 could not be taken to have re-enacted section 219 as at August 7, 1975 and the taxpayer's appeal had to be allowed.

Solicitor: Solicitor of Inland Revenue; Treasury Solicitor.

Beach v Willesden General Commissioners of Income Tax and the Inland Revenue Commissioners.
Before Mr Justice Walton
[Judgment delivered October 28]

Once a taxpayer has given notice of his intention to appeal against an income tax assessment, he is not entitled to withdraw his appeal without the consent of the inspector of taxes; if such consent is not forthcoming the appeal is to be heard and the assessment determined by the commissioners.

His Lordship, holding in the Chancery Division that the hearing of an appeal was not invalidated by an appellant's request to have the matter withdrawn, dismissed an appeal by the taxpayer, Mr Norman Henry Beach, a former partner in a firm of solicitors, from an order by general commissioners made during the hearing of the appeal imposing the maximum penalty of £20 on him for failure to produce certain documents of account under section 51 of the Taxes Management Act 1970.

Mr Beach in person, the Willesden General Commissioners did not appear and were represented; Mr Michael Hart for the Inland Revenue Commissioners.

MR JUSTICE WALTON said that the taxpayer's appeal was against a penalty of £20 made on him in January 1981 by the Willesden General Commissioners. The situation was that the taxpayer had failed to put in a return for 1977-78 as was required of him by section 8 of the Taxes Management Act 1970 and an assessment had been made on him for that year in the sum of £20,000. He had put in a notice of appeal against that assessment.

On November 17, 1980, shortly before the date fixed for the hearing, the taxpayer had written to the commissioners' clerk stating that he wished to withdraw his appeal. He wrote in similar terms to his tax inspector. However, immediately after receipt of the letter, the inspector notified the taxpayer that he did not wish the appeal to be withdrawn and intended asking the commissioners to hear and determine the matter.

Thus it was that on November 19 the commissioners hearing the appeal required the taxpayer by a notice under section 51 of the Act to furnish them with his income and expenditure accounts, balance sheets and computations of his assessable profits for 1977-78. He had failed to comply with the requirements of that notice.

The question was whether the taxpayer's appeal had been effectively withdrawn by his letter of November 17. If it had, then of course, the appeal was at an end and the section 51 notice and the subsequent penalty award for his failure to comply with the notice were a nullity.

Section 54 of the Taxes Management Act deals with the settling of appeals by agreement and subsection (4) provided that where an appellant decided not to proceed with his appeal and 30 days elapsed since the giving of notification of his intention to appeal, the appeal was to be treated as if it had been already determined by the commissioners.

Thus the effect of the inspector's letter to the taxpayer stating that he was unwilling to treat the appeal as withdrawn, became apparent. Indeed it was to be noted that section 50 of the Act provided that, commissioners hearing appeals, if satisfied that an appellant had been overcharged, could reduce an assessment but if satisfied that the contrary applied, could order an increase.

Thus it seemed that the whole purpose of the code dealing with appeals was that once a taxpayer had put in his appeal, he could not withdraw it without the consent of the inspector.

The taxpayer, a delightful, iconoclastic colossus, made a large number of other points. In particular he took very great

exception indeed to the section 51 notice. He said that no one was required by law to keep accounts other than the companies under the provisions of the Companies Acts. Therefore, he said, the statutory requirement related exclusively to companies and it was beyond the commissioners' power to require him to produce accounts.

That submission did the taxpayer's ingenuity credit but ignored the practical realities of life. Of course if accounts did not exist they could not be produced. But the commissioners were entitled to require any documents which contained or might contain information relating to the subject matter of the proceedings. The sole question was whether there were such documents.

The taxpayer's firm was a firm of solicitors. Partnership accounts must have existed and the commissioners were entitled to call for their production. If they did not exist the taxpayer could have asserted that that was the case. If they did exist there was no reason why he should not have produced them.

His Lordship went on to consider all the other objections made by the taxpayer to the commissioners' order. The taxpayer's forensic arguments, he said, failed utterly and his appeal was dismissed with costs.

Solicitors: Solicitor of Inland Revenue.

Andrei Voznesensky, arguably Russia's greatest living poet, today begins his first tour to Britain for 16 years. He will read his works at a poetry festival in London and during his one-month stay he will also give readings in Moscow, Edinburgh, Oxford, Cambridge and Dublin.

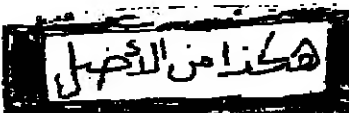
Voznesensky, who is 47, is usually a household name throughout the Soviet Union. He first burst into print in 1950 during the turbulent Khrushchev years and has been since then far from controversial. A disciple of Pasternak, whom he recently mourned in an impressive poem that for the first time brought the poems from Dr

Voznesensky: he can fill a football stadium



Vornesensky: he can fill a

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LETTERS TO THE EDITOR

Court ruling on Canada's Constitution

I remain, yours faithfully,
STEVEN JOSEPH,
Secrétaire Général,
Conférence Permanente des
Chambres de Commerce et
d'Industrie de la Communauté
Economique Européenne,
Square Ambiorix 30, Bte 57,
1040 Bruxelles.

(Current market price multiplied by the number of shares in issue for the stock quoted)

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CBI eve of conference forum, page 14

Business News

THE TIMES Monday November 2 1981

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'Interest rate rise will slow recovery'

By John Whitmore
Financial Correspondent

The recent rise in interest rates will slow the rate of economic recovery next year, according to the latest forecast from the London Business School.

Even so, the school expects the economy to pick up as the year progresses, producing an overall rise in output of 3.7 per cent. Output growth would then accelerate in 1983, rising by a further 2.8 per cent.

The forecast assumes, however, that the Government will be unable to meet the precise targets it set out in its medium term financial strategy.

Although the school believes that the trend will be right, with the public sector borrowing requirement progressively declining as a proportion of gross domestic product, it forecasts the PSBR falling too slowly to allow the Government to meet its monetary targets.

As a result, it expects the broad money supply to rise by about 11 per cent in both 1982 and 1983.

Similarly, it sees the Government having a problem in making any significant progress in reducing inflation. The forecast predicts a rise in consumer prices approaching 11 per cent next year and no fall in single figures (over a full year) until 1985.

It sees the end of destocking providing the main impetus to recovery next year. But a consequence of this will be a sharp deterioration in the trade balance.

The trading position will not be helped either by the fact that United Kingdom remains very uncompetitive in many manufactured goods, in spite of the recent success in slowing down the growth in unit labour costs.

The school expects the United Kingdom's share of world trade to fall and, over the medium term, the recent decline in sterling to be extended.

By contrast, Phillips & Drew, the stockbrokers, are slightly more optimistic in their inflation forecast for next year, predicting a rise of between 9 and 10 per cent.

But the latest edition of the brokers' Economic Forecast is decidedly less sanguine on the prospects for output. It predicts that output will recover by no more than 1 per cent in 1982 and that prospects for the first half of 1983 will be no better.

The brokers warn the Government against making substantial cuts in public spending next year, saying they would seriously jeopardise the fragile upturn otherwise likely.

They suggest the Government should confine itself to the £2,000m of spending reductions already announced to take effect next year (but not yet allocated) and perhaps a further £500m cut in current spending.

De Zotta & Bevan, another firm of stockbrokers however, suggest that unless the Chancellor finds ways of reducing the prospective budget deficit below the level implied in the medium term financial strategy (through raising net taxes), short term interest rates will continue to rise next year. The brokers see economic recovery coming to an end by next autumn.

Dearer steel policy angers EEC industry

By Peter Hill, Industrial Editor

European steel producers and the European Economic Community Commission face growing opposition from Community steel users to the planned 15 per cent increase in prices from the beginning of next year.

The increase is a key element in the recovery strategy drawn up by the Commission and steel producers. It is designed to stabilise the market and restore profitability.

But pressure is growing for the producers and the Commission to postpone the rises. Members of the market and prices sub-committee of the European coal and steel community consultative committee have expressed worry to the Commission after a meeting in Luxembourg.

The committee's anxiety follows a complaint by the Brussels-based Federation of Grapalme, the organisation which represents the Community's engineering industries. In its submission, the federation called for a postponement of the next round of increases and claimed that because of increases in July and October, its members had already been asked to absorb increases of between 20 and 25 per cent on most built steels and up to 40 per cent on special steels.

Mr John Safford, director of the British Iron and Steel Consumers' Council and a member

of the European Coal and Steel Community Consultative Committee, said yesterday that it appeared that West Germany's steelmakers, backed by their government and the Commission, would take the lead in the next round of increases.

Consumers are expecting rises of about DR 100 (£24.40) a tonne, which would increase the price of cold rolled reduced sheet steel, for example, to DM 1,000 a tonne.

Reflecting the consumers' concern, Mr Safford said they felt the move ignored the commercial realities facing the steel industry's customers, who were unable to pass on increases of that scale to their own customers because of reduced demand.

Another factor which consumers are drawing to the Commission's attention is the probable impact of measures likely to be taken by the American Government to curb the flow of imports.

Nevertheless, consumers accept the steel industry's need to be more profitable and their main objection appears to be the rate of the price increases. But increases are vital to all steel producers and are especially crucial to the British Steel Corporation, which aims to reach a financial break-even point by the end of next year.

Nickel mine closed as Inco heads for loss

Mining Correspondent

Inco, the Canadian metals company which produces about 60 per cent of the western world's nickel, is heading for its first annual loss in 50 years and is to mothball the troubled Exmiball mine in Guatemala, incurring a fourth quarter writedown of about \$180m.

The decision comes only a short while after Inco revealed a third quarter loss of \$29.4m, its first loss for half a century. Net profits for the year so far have been \$40.3m compared with \$219m for the whole of 1980.

Exmiball is the latest victim of a very depressed nickel market. Inco says the mine, which with associated activities employs 784 people, is unlikely to be profitable in the foreseeable future. A company spokesman said that on present projections, this meant four to five years.

The mine produces an intermediate grade nickel, which is further processed for industrial use. Its price is \$3.45 a lb, but break-even is \$4.15. Moreover, a 10 per cent return on the \$220m invested would require a price of \$6.50 a lb.

Inco owns 80 per cent of Exmiball, the rest being held by Hanna Mining, an American company. The mine has an annual capacity of 25 million lbs and Inco claims that the operation has been a technical success. Mining was suspended a year ago in the hope that the market would improve.

Closing Exmiball should cut Inco's losses by \$20m next year. But the project will still absorb \$17m, mainly in debt servicing.

Inco has tended to be optimistic about demand for nickel, despite a poor market for several years. Its Canadian mines are operating at around 70 per cent of capacity and its Inco nickel mine at just over half.

Tentative agreement has been reached to end the strike which closed Inco's Thompson mine in Manitoba on September 16. The agreement has not yet been put to the workers.

ARGYLL IS SHOCKED AT SELL-OFF

Liford Holdings, the supermarket and cash-and-carry group, has surprised Argyll's shareholders with a proposal to sell the delivery wholesale business to a consortium of its senior executives for £21m. The division supplies 3,000 independent Spar and VG grocers.

Argyll, which is bidding £91m for Liford and owns nearly 30 per cent, has been shocked by the sale as very strange. It said: "We are rather shocked. The division is a significant part of Liford's business and one which we would strongly wish to retain."

The division produced a turnover of £10m in the year ended last April but profits totalled only £100,000 after exceptional items. Mr Alec Monk, Liford chairman, said last night: "The division is not suitable for a public company. As a private company, it can afford to rationalise and produce negligible profits."

UK backs space link

By Bill Johnston, Electronics Correspondent

Britain will today announce its support for the final stages of the £150m European communications satellite project, L-Sat, and declare its financial contribution to the project.

British Aerospace, the prime contractor, and Marconi, which will be heavily involved in the satellite's design and its payload, which is due for launch in 1985-6.

The satellite is a project of the European Space Agency (ESA) which, now that the initial design work has been completed by British Aerospace, will invite the potential European user-nations to give financial support.

Eleven countries are ESA members—France, Belgium, the United Kingdom, the Netherlands, Sweden, Switzerland, Denmark, Spain, the Republic of Ireland, Italy and West Germany. Austria is an associate member and Canada and Norway have observer status. France and West Germany will not be involved in financing L-Sat.

L-Sat is capable of transmitting anywhere in Europe and will be positioned 22,000 miles above the earth.

Work began on the previous phase of the project last December. That included the complete definition of the satellite, the equipment required for its construction, and the preparation of a proposal for the final stages of construction.

The satellite has four main sections one of which will be devoted to business, one to high-frequency experiments and two for direct satellite television broadcasting.

Italy intends to use L-Sat to coordinate its fragmented television network and will be heavily involved in design.

The announcement is one of a number to be made by the Government today when it publishes the strategy it intends to adopt to promote information technology.

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Doubt cast on house price decline

By Lorna Bourke

House prices may not be falling as far, or as fast, as official statistics indicate, the building societies say in their latest bulletin.

The average price of houses on which societies gave mortgages fell during August for the third month running. But the Building Societies Association believes that the official house-price index, compiled by itself and the Department of the Environment, overstates the extent of the recent decline because it takes no account of the sample's changing mix.

The banks have taken on most of the lending on higher-priced properties, but this lending is not included in the official index sample, and the societies believe it has probably biased the index downwards.

The societies estimate that bank lending for house purchase this year will total £1,400m, compared with about £1,200m by the building societies. In 1975, the banks were lending a mere £50m, rising to £600m by 1980.

If the association's estimates are correct, the banks will account for 38 per cent of advances this year. House-purchase loans account for 33 per cent of personal loans by the banks but only 6 per cent of total lending. This area is under review by the authorities and there has been speculation that the Bank of England will clamp down on bank home loans.

Air industry blames Whitehall for loss of AWACs order

By Arthur Reed

The British aircraft industry is in a bitter frame of mind over the loss to the United States of a £300m contract to supply airborne early warning systems (AWACS) to Saudi Arabia and has criticised the Government for failing to support its bid for the order.

British Aerospace, Rolls-Royce, and Marconi Avionics have worked on the bid for months while President Reagan fought to push the sale of five Boeing Sentry aircraft through the United States Congress. The British industry was ready to offer a package of five Nimrod early warning aircraft to the Saudi Air Force, and was shown Nimrod being built. But the visit was routine and was arranged before the controversy over the early warning aircraft order.

British Aerospace has strong links with the Saudi air force through an extensive management contract, and sales of trainer and fighter jet aircraft. The Nimrod, based on the airframe of the well-tried Comet, would have been a natural follow-on.

The preferring of the Boeing Sentry is being seen within the British industry as a serious indication that its influence could be on the wane in a free spending part of the world where for years it has enjoyed aerospace dominance.

There is bitterness because British Government policy did not seem to encourage the United Kingdom industry to compete for the order, but to allow the Americans an open market.

One of the main reasons for the pressure in Britain to push for a deal was that the extension of the Nimrod line at the British Aerospace works at Woodford, near Manchester, would have created or prolonged several thousand jobs.

The line is building 11 early warning Nimrods for the Royal Air Force.

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BR fights slump with better freight service

By Michael Baily, Transport Correspondent

British Rail will reshape its freight services to capture a bigger share of the market after last year's disastrous slump, Mr Henry Sanderson, the chief freight manager has disclosed.

Improvements will include an expansion in Trainload and wagon capacity, increased Speedlink services and stronger international connections with improved productivity.

The recession cost BR £30m in revenue last year and is continuing to bite into the board's results for 1981, with an expected £50m shortfall.

"But we expect to emerge much leaner and stronger," Mr Sanderson told customers. "We are surviving the economic storms better than many competitors."

BR has high hopes of more competitive freight services because productivity talks with unions following the summer pay settlement. Overmanning on freight trains has lost the railways a lot of business, says BR.

Coal, chemicals, and aggregates have been picked out as freight growth areas and BR will be going for more Trainload traffic direct from supplier to customer. Current traffic is 95 million tonnes of coal a year, 17 million tonnes of iron and steel, 15 million tonnes of oil and chemicals and 12 million tonnes of aggregates.

Speedlink is designed to do for rail freight in the 1980's what the InterCity 125 did for passenger business in the 1970's.



Sanderson: BR is surviving.

Traffic will grow by at least 25 per cent next year BR forecasts.

It carries 4 million tonnes a year on 62 daily services throughout the country and is well placed to capture more general merchandise traffic as international traffic in 54-tonne ferry wagons running to the Continent, has doubled to more than a million tonnes a year in five years. BR expects to maintain growth, especially if it gets new Jumbo ferries for Harwich-Roos and the Channel Tunnel.

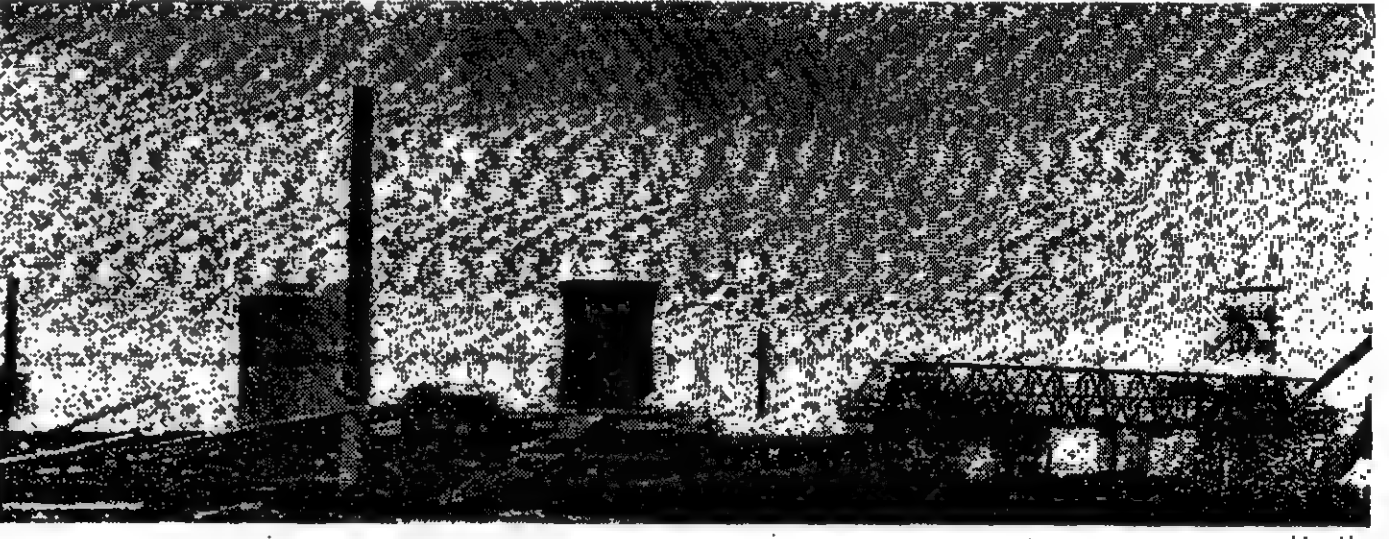
"We are asking firms to look at the advantages of rail freight. Although a change from their present mode is a considerable commitment, it would be profitable for them," Mr Sanderson said.

Argyll, which is bidding £91m for Liford and owns nearly 30 per cent, has been shocked by the sale as very strange. It said: "We are rather shocked. The division is a significant part of Liford's business and one which we would strongly wish to retain."

The division produced a turnover of £10m in the year ended last April but profits totalled only £100,000 after exceptional items. Mr Alec Monk, Liford chairman, said last night: "The division is not suitable for a public company. As a private company, it can afford to rationalise and produce negligible profits."

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Consett steel works: Single-industry domination has crippled the area in the past.

Long, slow haul back for Consett

By Richard Lacey

Unemployment in the Consett area of co Durham which is as high as 50 per cent in some spots, is so bad that even the EEC has offered grants and loans. These now make Derwentide the most attractive proposition in the North of England for businessmen.

This is the "graveyard" region where workers have not only had to contend with the closure last year of the Consett steel works, but have also watched their livelihoods disappear for 20 years.

In the 1950s and 1960s the Durham pits closed. In 1975, with employment in the steel works at a peak of 7,000, British Steel started to cut back. By the time the Consett works closed, the figure was down to 4,000.

Last November Ransome Hoffman and Pollard, motor industry ball bearing manufacturers, pulled out of nearby Annfield Plain making another 1,300 jobs.

The struggle back to prosperity, however, is so slow that it is almost pathetic, and the biggest worry the region's promoters have is what happens if unemployment in other parts of the country becomes as bad as it is here.

At face value, Derwentide's record so far is impressive, bearing in mind that the area must compete against other United Kingdom industrial graveyards with their special development area status, enterprise zones, and other attractions.

Thirty-one new companies have been tempted to the district this year, and a further 19 local companies have expanded.

What takes the gloss off it is that only 500 new jobs have been created—less than 10 per cent of those lost last year alone.

"We never seek to minimise the severity of the problem but I think it is important to have achieved some momentum," Mr John Carney, Derwentide industrial development officer, said.

All the projects so far secured have done better than expected, and the new jobs potential of his success stories total 1,200.

What is helping, according to Mr Carney, is one of the best incentive schemes in the country. Alone among districts in the northern regions, prospective employers on Derwentide are eligible for the employment premium scheme financed by the European Social Fund.

It offers a grant of as much as 30 per cent of an employer's wage bill for the first six months of operations, while on the capital side, the European Coal and Steel Community Fund, offers loans pegged at 10 per cent interest.

Despite the slow progress in making up lost ground, the one thing Mr Carney does not want is a leading employer with thousands of men on the payroll.

"What we want is to get away from the type of single-industry domination that has crippled the area in the past."

Unemployment in the Consett area of co Durham which is as high as 50 per cent in some spots, is so bad that even the EEC has offered grants and loans. These now make Derwentide the most attractive proposition in the North of England for businessmen.

This is the "graveyard" region where workers have not only had to contend with the closure last year of the Consett steel works, but have also watched their livelihoods disappear for 20 years.

In the 1950s and 1960s the Durham pits closed. In 1975, with employment in the steel works at a peak of 7,000, British Steel started to cut back. By the time the Consett works closed, the figure was down to 4,000.

Last November Ransome Hoffman and Pollard, motor industry ball bearing manufacturers, pulled out of nearby Annfield Plain making another 1,300 jobs.

The struggle back to prosperity, however, is so slow that it is almost pathetic, and the biggest worry the region's promoters have is what happens if unemployment in other parts of the country becomes as bad as it is here.

At face value, Derwentide's record so far is impressive, bearing in mind that the area must compete against other United Kingdom industrial graveyards with their special development area status, enterprise zones, and other attractions.

Thirty-one new companies have been tempted to the district this year, and a further 19 local companies have expanded.

What takes the gloss off it is that only 500 new jobs have been created—less than 10 per cent of those lost last year alone.

"We never seek to minimise the severity of the problem but I think it is important to have achieved some momentum," Mr John Carney, Derwentide industrial development officer, said.

All the projects so far secured have done better than expected, and the new jobs potential of his success stories total 1,200.

What is helping, according to Mr Carney, is one of the best incentive schemes in the country. Alone among districts in the northern regions, prospective employers on Derwentide are eligible for the employment premium scheme financed by the European Social Fund.

It offers a grant of as much as 30 per cent of an employer's wage bill for the first six months of operations, while on the capital side, the European Coal and Steel Community Fund, offers loans pegged at 10 per cent interest.

Despite the slow progress in making up lost ground, the one thing Mr Carney does not want is a leading employer with thousands of men on the payroll.

North seeks more aid

The Government is being urged today to give more help to the North of England. County councils in the region have compiled a report which shows that the North is much worse off than the South-east and things are getting worse.

The detailed study of Cleveland, Cumbria, Durham, Northumberland and Tyne and Wear claims that wages, unemployment and housing is worse but the Government is showing less interest.

Aycliffe and Peterlee Development Corporation starts a £500,000 campaign today to attract industrialists in Japan, the United States, Scandinavia and the United Kingdom to start ventures which it hopes will create 5,000 jobs.

Stock Markets

FT Index 468.5
FT 100 51.16
FT All Share 286.30
Bargains 13,054

Sterling

£1.3600
Index 58.7
New York: \$1.8805

Dollar

Index 108.8
DM 2.2470

Gold

\$428
New York \$428.00

Money

3 mth sterling 16 1/4-16 1/2
3 mth Euro \$150-151
6 mth Euro \$151-151
Friday closing

EEC budget talks ends

Finance ministers of the 10 EEC countries ended two days of informal talks in London on Saturday. The meeting, which was described as stimulating and valuable, covered the reform of the EEC budget and the international economic and financial situation. Economic ministers will hold a regular formal meeting mid-month to be followed by the EEC summit in London at the end of the month.

AT & T plans new satellite

American Telephone & Telegraph plans to launch an additional Telesat 3 satellite in May, 1984, because of the growing demand to distribute television programmes by satellite.

The company was scheduled to have only three satellites operational in 1984—the remaining Comstar satellite from the present system and the first two Telesat 3 satellites.

Mexico, Oman fix oil prices

Two oil-producing countries which are not members of the Organization of Petroleum Exporting Countries have announced new policies in line with last week's agreement uniting the organization members' prices on a basic price of \$34 a barrel.

Mexico, the world's fourth largest producer, said its light crude would now sell at \$35, a rise of \$1, but its heavy offshore crude would remain at \$28.50. Oman said its crude would sell at \$34.

Lifeguard turnaround

Lifeguard, the insurance company owned by Lloyd's members which ran into difficulties in 1975, has made an impressive recovery in 1981, enabling the board to transfer £231,000 to shareholders' funds.

Last year, the company was able to repay £15m of rescue money put up by the insurance industry. This year's transfer brings shareholders' funds to £140m.

The 68,000 policyholders will also receive a 30 per cent reversionary bonus on premiums paid during the year, compared with 27 per cent last year.

Beer decline 'ending'

There are signs that the decline in beer consumption is coming to an end, according to W. Greenwell, the stockbroker.

The brewery companies' profits have held up remarkably well, largely as a result of vigorous cost-cutting, and the regional groups have again outperformed the national, Greenwell says in his quarterly review.

Brewers are fairly optimistic about the levels of profits earned over the past six months despite the poor demand.

Bank closure

The United States Government has ordered the closure of the Midtown National Bank of Pueblo, Colorado, for insolvency. Because of "ever-increasing loan problems, poor collection practices, and managerial deficiencies".

BUSINESS BRIEFING

Textiles in 'crisis'

Britain's wool textiles industry, now shedding 700 workers a month, is likely to see no more than a slowing down in the rate of its decline during the next year or so.

Mr Barry Spencer (right), president of the British Wool Textiles Confederation, said that the main cause of the industry's difficulties was the international trade recession and excess world capacity.

But the situation had undoubtedly been made worse by the reduction in spending power at home caused by inflation and unemployment, and by increased interest charges.

Mr Spencer is among those who comment on the plight of the wool textiles industry on page 15, in an article called "Hanging On by the Skin of their Teeth". The article is the first in a series entitled "Industry in Crisis" that will be appearing in Business News this week.

Day course on redundancy

One-day courses on how to cope with redundancy problems begin today at Motherwell Technical College with 200 workers who lost their jobs at Carris Bonded Warehouses, Lanarkshire, as the first to take the practical advice. The RISK—Redundancy Improvement Scheme—has been devised by Strathclyde Regional Council and the Manpower Services Commission.

Pickens on the Dublin brewery of Arthur Guinness were lifted yesterday after a settlement of the three-week dispute over the transfer of an employee.



Sainsbury ready to echo M & S

After better than expected figures from Marks & Spencer recently, investors have been turning their attention to the price leapt 40p to 445p last week. On Wednesday the group releases its half year results. Analysts expect a 10% rise by Tozer Kemsley, Millbourn and Reed International.

The main point—quickly picked up by the market—about Marks & Spencer's performance was the 10% rise in sales, which showed a net 20 pence.

Last year Sainsbury made £30.8m at the halfway stage and analysts this time are looking for a 10% rise to £34m, or £40m. At the annual meeting the group boasted of a good start to the year and little has changed since, say, market analysts alter their view.

This week

Volume should show a further healthy increase, pushing net profits up faster than sales are helping to improve margins.

Fresh food sales are continuing to expand with the group's own brand names now accounting for nearly 60 per cent of sales.

The interim dividend should show an increase of 1½p gross to 3.2p. Looking to the full year the experts are expecting a rise against 15.6p, although from this must be deducted the employees' share scheme contribution which is usually worked out at the year end.

employees' share scheme contribution which is usually worked out at the year end.

Second quarter figures from Reed International are unlikely to make exciting reading as it is traditionally the group's quietest trading period.

During the first quarter the group reported an increase in sales profits from £15m to £22m. The company's directors expect this to be repeated and are looking for £18m against the corresponding figure of £27m.

Reed's newspaper interests, including the Mirror Group, are likely to play a big part in the outcome with dull conditions compounded by a 30 per cent increase in newspaper costs.

Promotional expenses arising from newspaper hires will also

THE

Forget 1981. Look to 1982 and beyond for profit growth at Trusthouse Forte, according to Fielding Newson-Smith.

Forget 1981. Look to 1982 and beyond for profit growth at Trusthouse Forte, according to Fielding, Newson-Smith.

Pretax profits in this year could be down by 15 per cent, largely as a result of lower occupancies in United Kingdom hotels and higher finance costs. The investment community is now reconciled to this

cies may also rise if the United Kingdom regains its popularity among foreigners and if busi-

This implies pretax profits of about £75m for 1982 against an estimated £55m this year and £66m in 1980.

Long term, the brokers foresee only modest growth in the overall demand for hotel accommodation, but "TEF could well increase market share as a result of its sophisticated approach to marketing and by the extension of its hotel interests."

A clutch of overseas traders comes under the spotlight of Simon and Coates who make a

vice president of American Express International Banking Corporation. Mr Ken Hall has become a director of Trollope & Colls Management, the management contractor.

[illegible]

Esperanza
International
Services

	<u>Year to 31/3/92</u>	<u>Year to 31/3/91</u>
Fees and Turnover	£51.7m	£47.7m
Profit Before Tax	£3.8m	£3.1m
Earnings per Share	9.5p	8.9p

**Copies of the Report and Accounts may be obtained from:
The Secretary, Esperanza Limited, International House,
26-28 Creechurch Lane, London EC3A 5ED.**

The outcome of the emergency Opec meeting held in Geneva last week is unlikely to bring any immediate or short-term benefits to the tanker market.

Linread halve dividend

their dividend for the year to August 3; 1981, to 1.42p gross. On turnover down from £18.2m to £16.76m, pretax profits fell from £297,000 to £79,000. While the board thinks the result is far from adequate, it says the fact that a reduction in turnover of £1.43m only resulted in

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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BASE LENDING RATES

ABN Bank	15 1/2%
Banqueys	15 1/2%
ABN	15 1/2%
Consolidated	16 %
C. Moore & Co.	15 1/2%
Lloyds Bank	15 1/2%
Midland Bank	15 1/2%
Nat Westminster	15 1/2%
TSE	15 %
Whitcomb and Glyn's	15 1/2%
7 day average	13 1/2%
and under	13 1/2%
250,000	14 1/2%

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The Over-the-Counter Market

Capital \$100's	Company	Last Price	Change in Week	Gross Divid Pct	Yld %	P/E Actual	Fut P/E
1,074	ABI Hldgs 10% CULS	108	-1	10.0	9.3	—	—
3,678	Airspring Group	67	+1	4.7	10.6	14.0	14.0
1,075	Armstrong & Rhodes	43	+3	18.0	3.6	8.0	8.0
11,731	Baron Hill	192	—	9.7	9.3	14.1	14.1
7,462	Dardhan Services	87	—	5.5	4.8	9.0	9.0
4,349	Frank Horner	115	+1	6.4	5.5	10.5	10.5
8,524	Federick-Parker	59	—	1.7	29.0	25.7	—
1,075	George Blair	—	—	—	—	—	—
3,899	IPC	95	—	7.3	7.6	5.9	10.0
2,479	Jackson Group	38	+1	7.0	7.6	3.1	7.0
14,995	James Burrough	108	-2	8.7	8.1	7.9	9.0
2,958	Robert Jenkins	290	+7	31.3	10.8	4.0	10.0
2,565	Scumms "A"	14	—	5.3	9.8	6.3	7.0
5,577	Torday Limited	187	—	15.1	8.1	7.2	12.0
2,952	Turkington	54	—	—	—	—	—
2,102	Twinkins 15% ULS	37	-2	15.0	9.9	—	—
5,388	Unhold Holdings	34	+1	3.0	8.6	6.1	10.0
10,647	Walter Alexander	84	+1	6.4	7.6	5.5	9.0
6,251	W. S. Yeates	225	+1	13.1	5.1	4.3	8.0

هكذا ام، الاب

Edited by Peter Dear

BBC 2

ITV/LONDON

Radio 4

Radio 3

Radio 2

one.† 7.30 Terry Wogan.†
rah Simons. 12.00 John
Ed Stewart. 4.00 David
is News and Sport. 6.00
† 9.00 Folk on 2.† 9.00
tion.† 10.00 Pop Score.
ound. 11.00 Brian
and Midnight.† from
O'Clocker's Hour.† 2.00-
the Night and the Music.†

Radio 1

10.2 7.00 Mike Read.
ates. 11.30 Dave Lee
† Paul Burnett. 3.30 Steve
Stayin' Alive. 8.00 David

World Service
Service can be received in the following times: GST; 6.00 World News 7.09 Twenty-Four Summary 7.30 Country Style 8.00 Global 8.00 World News 8.30 10.00 The Rock Set in Half Dollars 9.00 World News in the British Press 9.15 North America 9.20 Good Books 9.30 The Look Ahead 9.45 Three Dollars 10.00 The World 10.30 Frank, airm Goes Into Town 11.09 News about Britain Workshop 11.30 Musical News 12.00 The John 12.45 Sports Roundup 1.00 World Four Hours News Summary 1.45 Time Remembered 2.00 2.30 Rock Back 3.00 3.15 Outlook 4.00 World Commentary 4.15 Weathering the World Today 5.00 World Map 5.25 New Ideas 8.00 8.00 Twenty-Four News Summary 8.30 The Rock Set in Half Dollars 9.00 The World Today 9.30 Financial News

12.00 News, about Britain
 12.30 Radio Theatre
 1.45 Europe 2.00 World News
 the British Press 2.15 Newswatch
 International 3.00 World
 News 3.15 The World
 in Focus 4.00 Newswatch 5.45

68-91MHz Radio 3
 4.17m. LBC MF
 74.1m. World Service

TYPE 200
 12.00 News, about Britain
 12.30 Radio Theatre
 1.45 Europe 2.00 World News
 the British Press 2.15 Newswatch
 International 3.00 World
 News 3.15 The World
 in Focus 4.00 Newswatch 5.45

WYVH-TV

Play-Go-Round, 3.45-4.15 p.m. 5.15-5.45 Survival.
6.35-7.00 It's a Vet's
3.30 Benson. 11.50 Rugby
Run-from-the-Morning.
edown.

TV WEST

Sports Starts 9.00-10.00
a.m. 11.30-12.00 The
9 o'pat University
West Country Farming.
nk and Mindy, 4.30-5.00
of the Clouds (James
Morgan) A pilot on
comes through with
8.15-8.45 Jim Davidson.
A Room. 12.30 am

WMRU/WALES

accept: 3.30 pm-4.00
4.30 Deer Enrmy.

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